



**OFFICE OF AUDITOR OF STATE
STATE OF IOWA**

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Warren G. Jenkins, CPA
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NEWS RELEASE

FOR RELEASE December 24, 2002

Contact: Andy Nielsen
515/281-5515

Auditor of State Richard Johnson today released an audit report on Pottawattamie County, Iowa.

Johnson reported that the County had local tax revenue of \$96,381,359 for the year ended June 30, 2002, which included \$4,022,782 in tax credits from the state. The County forwarded \$77,907,323 of the local tax revenue to the townships, school districts, cities and other taxing bodies in the County.

The County retained \$18,474,036 of the local tax revenue to finance County operations, a 4 percent increase from the prior year. Other revenues included \$10,255,728 from the state, including indirect federal funding, \$674,960 from direct federal grants and entitlements, \$2,358,900 in local option sales tax, \$1,987,508 in pari-mutuel and gaming wager tax and \$500,761 in interest on investments.

Expenditures for County operations totaled \$43,561,963 a 10 percent increase from the prior year. Expenditures included \$11,139,785 for public safety, \$7,720,098 for mental health and \$7,662,124 for roads and transportation. The significant increase is primarily due to road construction projects and the renovation of the courthouse.

A copy of the audit report is available for review in the office of the Auditor of State and the County Auditor's office.

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POTTAWATTAMIE COUNTY
INDEPENDENT AUDITOR'S REPORTS
FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2002

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Pottawattamie County

Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Betty Moats	Board of Supervisors	Jan 2003
Tim Wichman	Board of Supervisors	Jan 2003
Robert M. Williams	Board of Supervisors	Jan 2003
Melvyn Houser	Board of Supervisors	Jan 2005
Delbert King	Board of Supervisors	Jan 2005
Marilyn Jo Drake	County Auditor	Jan 2005
Judy Ann Miller	County Treasurer	Jan 2003
John F. Sciortino	County Recorder	Jan 2003
Jeffrey Danker	County Sheriff	Jan 2005
Rick Crowl	County Attorney	Jan 2003
James O'Neill	County Assessor	Jan 2004

Pottawattamie County



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Independent Auditor's Report

To the Officials of Pottawattamie County:

We have audited the accompanying general purpose financial statements, listed as exhibits in the table of contents of this report, of Pottawattamie County, Iowa, as of and for the year ended June 30, 2002. These general purpose financial statements are the responsibility of Pottawattamie County's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards, Chapter 11 of the Code of Iowa, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The general purpose financial statements referred to above do not include the general fixed assets account group, which should be included in order to conform with U.S. generally accepted accounting principles. The amount that should be recorded in the general fixed assets account group is not known. Also, the County has not included materials and supplies inventory, pertaining primarily to the Special Revenue Funds, although required by U.S. generally accepted accounting principles. The amounts of such inventory are not determinable.

In our opinion, except for the effects on the general purpose financial statements of the omissions described in the preceding paragraph, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Pottawattamie County at June 30, 2002 and the results of its operations for the year then ended in conformity with U.S. generally accepted accounting principles. Also, the Comparison of Receipts, Disbursements, and Changes in Balances - Actual to Budget (Cash Basis) presents fairly, in all material respects, the cash transactions and the legally adopted budget of the governmental fund types and expendable trust fund of Pottawattamie County for the year ended June 30, 2002.

As discussed in Note 13 to the general purpose financial statements, Pottawattamie County intends to implement Governmental Accounting Standards Board Statement Number 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments; Statement Number 37, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus; and Statement Number 38, Certain Financial Statement Note Disclosures, for the fiscal year ending June 30, 2003. The effects of these statements are expected to significantly impact the presentation of the County's financial statements and related notes in the year of implementation. The revised requirements will include the use of the economic resources measurement focus and full accrual accounting, as well as an analytical overview of the County's financial activities in the Management's Discussion and Analysis introduction to the basic financial statements.

In accordance with Government Auditing Standards, we have also issued our reports dated December 3, 2002 on our consideration of Pottawattamie County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. Those reports are an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the general purpose financial statements for the three years ended June 30, 2001 (none of which are presented herein) and expressed qualified opinions on those financial statements for the omission of the general fixed assets account group and materials and supplies inventory, pertaining primarily to the Special Revenue Funds. The supplemental information included in Schedules 1 through 12, including the Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular A-133, is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. Such information, has been subjected to the auditing procedures applied in our audit of the aforementioned financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

RICHARD D. JOHNSON, CPA
Auditor of State

WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

December 3, 2002

Financial Statements

Pottawattamie County
Combined Balance Sheet
All Fund Types and Account Group
June 30, 2002

	Governmental Fund Types		
	General	Special Revenue	Debt Service
Assets and Other Debits			
Cash and pooled investments:			
County Treasurer	\$ 8,871,933	6,589,601	751,755
Other County officials	-	-	-
Conservation Foundation	-	82,488	-
Receivables:			
Property tax:			
Delinquent	73,997	41,067	8,139
Succeeding year	11,159,000	6,921,000	1,255,000
Interest and penalty on property tax	141,763	-	-
Accounts	201,258	73,994	-
Accrued interest	2,248	-	-
Special assessments	-	-	-
Future drainage assessments	-	50	-
Due from other funds (note 3)	292,421	8,443	83,943
Due from other governments	672,459	560,273	-
Prepaid items	172,888	-	-
Amount available in Debt Service Fund	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-
Total assets and other debits	\$21,587,967	14,276,916	2,098,837

Capital Projects	Fiduciary Fund Type Trust and Agency	Account Group		Total (Memorandum Only)
		General	Long-Term Debt	
32,448	3,683,547	-	-	19,929,284
-	341,751	-	-	341,751
-	-	-	-	82,488
-	477,056	-	-	600,259
-	69,730,000	-	-	89,065,000
-	-	-	-	141,763
-	37,863	-	-	313,115
-	-	-	-	2,248
-	3,476,000	-	-	3,476,000
-	87,876	-	-	87,926
-	7,197	-	-	392,004
-	117,091	-	-	1,349,823
9,375	30,820	-	-	213,083
-	-	836,007	-	836,007
-	-	16,222,260	-	16,222,260
41,823	77,989,201	17,058,267	-	133,053,011

Pottawattamie County
Combined Balance Sheet
All Fund Types and Account Group
June 30, 2002

	Governmental Fund Types		
	General	Special Revenue	Debt Service
Liabilities, Fund Equity and Other Credits			
Liabilities:			
Excess of outstanding warrants over cash balance	\$ -	-	-
Accounts payable	648,303	1,069,881	-
Salaries and benefits payable	416,328	143,556	-
Drainage warrants	-	-	-
Due to other funds (note 3)	15,640	83,943	-
Due to other governments (note 4)	100,216	680,688	-
Trusts payable	-	-	-
Deferred revenue:			
Succeeding year property tax	11,159,000	6,921,000	1,255,000
Other	289,503	42,311	7,830
General obligation capital notes payable (note 5)	-	-	-
Urban renewal revenue capital loan notes payable (note 5)	-	-	-
Mortgage loan payable (note 5)	-	-	-
Lease purchase agreements (note 5)	-	-	-
Conservation Foundation real estate contract (note 5)	-	-	-
Compensated absences	127,432	67,029	-
Total liabilities	<u>12,756,422</u>	<u>9,008,408</u>	<u>1,262,830</u>
Fund equity and other credits:			
Fund balances:			
Reserved for:			
Debt Service	-	-	836,007
Prepaid items	172,887	-	-
Unreserved	8,658,658	5,268,508	-
Total fund equity and other credits	<u>8,831,545</u>	<u>5,268,508</u>	<u>836,007</u>
Total liabilities, fund equity and other credits	<u><u>\$21,587,967</u></u>	<u><u>14,276,916</u></u>	<u><u>2,098,837</u></u>

See notes to financial statements.

Capital Projects	Fiduciary Fund Type	Account Group	Total (Memorandum Only)
	Trust and Agency	General Long-Term Debt	
-	6,318	-	6,318
-	15,439	-	1,733,623
-	44,688	-	604,572
-	88,999	-	88,999
-	292,421	-	392,004
-	74,045,116	-	74,826,020
-	3,403,181	-	3,403,181
-	-	-	19,335,000
-	-	-	339,644
-	-	12,860,000	12,860,000
-	-	3,195,000	3,195,000
-	-	474,371	474,371
-	-	10,471	10,471
-	-	23,061	23,061
-	92,715	495,364	782,540
-	77,988,877	17,058,267	118,074,804
-	-	-	836,007
9,375	-	-	182,262
32,448	324	-	13,959,938
41,823	324	-	14,978,207
41,823	77,989,201	17,058,267	133,053,011

Pottawattamie County

Combined Statement of Revenues, Expenditures and Changes in Fund Balances -
All Governmental Fund Types and Expendable Trust Fund

Year ended June 30, 2002

	<u>Governmental</u>	
	<u>General</u>	<u>Special Revenue</u>
Revenues:		
Property and other County tax	\$ 14,157,486	6,558,522
Interest and penalty on property tax	290,890	-
Intergovernmental	6,005,819	9,717,320
Licenses and permits	13,710	63,124
Charges for service	1,955,415	236,198
Use of money and property	494,476	63,773
Fines, forfeitures and defaults	87,165	49
Miscellaneous	568,756	254,208
Total revenues	<u>23,573,717</u>	<u>16,893,194</u>
Expenditures:		
Operating:		
Public safety	11,071,069	68,716
Court services	395,043	-
Physical health and education	645,488	153,630
Mental health	-	7,720,098
Social services	1,632,657	1,839
County environment	1,266,493	531,822
Roads and transportation	-	7,662,124
State and local government services	1,183,745	24,179
Interprogram services	5,641,013	163,877
Debt service	-	-
Capital projects	-	3,652,290
Total expenditures	<u>21,835,508</u>	<u>19,978,575</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,738,209</u>	<u>(3,085,381)</u>

Fund Types		Fiduciary Fund Type	Total
Debt Service	Capital Projects	Expendable Trust	(Memorandum Only)
1,242,816	-	-	21,958,824
-	-	-	290,890
60,647	-	-	15,783,786
-	-	-	76,834
-	-	-	2,191,613
28,651	55	-	586,955
-	-	-	87,214
-	-	1,098	824,062
1,332,114	55	1,098	41,800,178
-	-	-	11,139,785
-	-	-	395,043
-	-	-	799,118
-	-	-	7,720,098
-	-	-	1,634,496
-	-	2,163	1,800,478
-	-	-	7,662,124
-	-	-	1,207,924
-	-	-	5,804,890
1,576,937	-	-	1,576,937
-	168,780	-	3,821,070
1,576,937	168,780	2,163	43,561,963
(244,823)	(168,725)	(1,065)	(1,761,785)

Pottawattamie County

Combined Statement of Revenues, Expenditures and Changes in Fund Balances -
All Governmental Fund Types and Expendable Trust Fund

Year ended June 30, 2002

	<u>Governmental</u>	
	<u>General</u>	<u>Special Revenue</u>
Other financing sources (uses):		
Sale of general fixed assets	3,500	-
Operating transfers in	32,415	3,131,365
Operating transfers out	(561,141)	(3,095,918)
Total other financing sources (uses)	<u>(525,226)</u>	<u>35,447</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	1,212,983	(3,049,934)
Fund balances beginning of year	7,507,074	8,324,466
Increase (decrease) in prepaid items	<u>111,488</u>	<u>(6,024)</u>
Fund balances end of year	<u>\$ 8,831,545</u>	<u>5,268,508</u>

See notes to financial statements.

Fund Types		Fiduciary Fund Type	Total
Debt Service	Capital Projects	Expendable Trust	(Memorandum Only)
-	-	-	3,500
339,553	181,097	-	3,684,430
(27,371)	-		(3,684,430)
312,182	181,097	-	3,500
67,359	12,372	(1,065)	(1,758,285)
768,648	20,076	1,389	16,621,653
-	9,375	-	114,839
836,007	41,823	324	14,978,207

Pottawattamie County

Comparison of Receipts, Disbursements and
Changes in Balances - Actual to Budget (Cash Basis)
All Governmental Fund Types and Expendable Trust Fund

Year ended June 30, 2002

	Actual	Less Funds not Required to be Budgeted
Receipts:		
Property and other County tax	\$ 22,251,944	-
Intergovernmental	15,834,688	-
Licenses and permits	77,208	-
Charges for service	2,133,881	-
Use of money and property	592,301	2,475
Fines, forfeitures and defaults	92,208	-
Miscellaneous	832,738	109,758
Total receipts	41,814,968	112,233
Disbursements:		
Public safety	11,242,704	-
Court services	403,878	-
Physical health and education	830,888	-
Mental health	7,733,359	-
Social services	1,647,655	-
County environment	1,791,020	114,456
Roads and transportation	7,787,914	-
State and local government services	1,195,006	-
Interprogram services	5,471,083	-
Debt service	1,576,934	-
Capital projects	3,245,290	-
Total disbursements	42,925,731	114,456
Deficiency of receipts under disbursements	(1,110,763)	(2,223)
Other financing sources, net	3,500	-
Deficiency of receipts and other financing sources under disbursements and other financing uses	(1,107,263)	(2,223)
Balance beginning of year	17,435,812	95,465
Balance end of year	\$ 16,328,549	93,242

See notes to financial statements.

Net	Amended Budget	Variance - Favorable (Unfavorable)	Net as % of Amended Budget
22,251,944	22,578,485	(326,541)	99%
15,834,688	16,313,178	(478,490)	97%
77,208	96,570	(19,362)	80%
2,133,881	1,985,586	148,295	107%
589,826	1,971,856	(1,382,030)	30%
92,208	31,200	61,008	296%
722,980	41,300	681,680	1751%
41,702,735	43,018,175	(1,315,440)	97%
11,242,704	11,258,497	15,793	100%
403,878	505,833	101,955	80%
830,888	895,657	64,769	93%
7,733,359	7,962,982	229,623	97%
1,647,655	1,960,404	312,749	84%
1,676,564	1,920,853	244,289	87%
7,787,914	8,394,370	606,456	93%
1,195,006	1,336,750	141,744	89%
5,471,083	7,462,730	1,991,647	73%
1,576,934	1,580,629	3,695	100%
3,245,290	3,329,000	83,710	97%
42,811,275	46,607,705	3,796,430	92%
(1,108,540)	(3,589,530)		
3,500	-		
(1,105,040)	(3,589,530)		
17,340,347	14,910,576		
16,235,307	11,321,046		

Pottawattamie County
Notes to Financial Statements

June 30, 2002

(1) Summary of Significant Accounting Policies

Pottawattamie County is a political subdivision of the State of Iowa and operates under the Home Rule provisions of the Constitution of Iowa. The County operates under the Board of Supervisors form of government. Elections are on a partisan basis. Other elected officials operate independently with the Board of Supervisors. These officials are the Auditor, Treasurer, Recorder, Sheriff, and Attorney. The County provides numerous services to citizens, including law enforcement, health and social services, parks and cultural activities, planning and zoning, roadway construction and maintenance, and general administrative services.

A. Reporting Entity

For financial reporting purposes, Pottawattamie County has included all funds, organizations, account groups, agencies, boards, commissions and authorities. The County has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the County to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the County.

These financial statements present Pottawattamie County (the primary government) and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationships with the County.

Blended Component Units – The following component units are entities which are legally separate from the County, but are so intertwined with the County that they are, in substance, the same as the County. They are reported as part of the County and blended into the appropriate funds.

Certain drainage districts have been established pursuant to Chapter 468 of the Code of Iowa for the drainage of surface waters from agricultural and other lands or the protection of such lands from overflow. Although these districts are legally separate from the County, they are controlled, managed and supervised by the Pottawattamie County Board of Supervisors. These drainage districts are reported as a Special Revenue Fund. The County has other drainage districts that are managed and supervised by elected trustees. The financial transactions of these districts are reported as an Agency Fund. Financial information of the individual drainage districts can be obtained from the Pottawattamie County Auditor's office.

The Conservation Foundation has been incorporated under Chapter 504A of the Code of Iowa to receive donations for the benefit of the Pottawattamie County Conservation Board. These donations would be used to purchase items that are not included in the County's budget. The financial transactions of this foundation have been displayed as a special revenue fund.

Jointly Governed Organizations - The County also participates in several jointly governed organizations that provide goods or services to the citizenry of the County but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by participating governments. The County Board of Supervisors are members of or appoint representatives to the following boards and commissions: Pottawattamie County Assessor's Conference Board, Pottawattamie County Emergency Management Commission, Pottawattamie County Joint E911 Service Board and SWI Juvenile Emergency Services Board. Financial transactions of these organizations are included in the County's financial statements only to the extent of the County's fiduciary relationship with the organization and, as such, are reported in an Agency Fund of the County.

In addition, the County is involved in the following jointly governed organizations: Western Iowa Development Association, Metropolitan Area Planning Agency and Southwest Iowa Transit Authority. Financial transactions of these organizations are not included in the County's financial statements.

B. Fund Accounting

The accounts of the County are organized on the basis of funds and account groups, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, fund balances, revenues and expenditures. The various funds and account groups and their designated purposes are as follows:

Governmental Funds

General Fund - The General Fund is the general operating fund of the County. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating expenses, the fixed charges and the capital improvement costs that are not paid from other funds.

Special Revenue Funds - The Special Revenue Funds are used to account for revenues derived from specific sources which are usually required by law or regulation to be accounted for in separate funds.

Debt Service Funds - The Debt Service Funds are utilized to account for the payment of interest and principal on the County's general long-term debt.

Capital Projects Funds - The Capital Projects Funds are utilized to account for all resources used in the acquisition and construction of capital facilities.

Fiduciary Funds

Trust Funds - The Trust Funds are used to account for assets held by the County in a trustee capacity. These include expendable trust funds which are accounted for in essentially the same manner as Governmental Funds.

Agency Funds – The Agency Funds are used to account for assets held by the County as an agent for individuals, private organizations, certain jointly governed organizations, other governmental units and/or other funds. Agency Funds are custodial in nature, assets equal liabilities, and do not involve measurement of results of operations.

Account Group

General Long-Term Debt – This account group is established to account for long-term debt of the County. Long-term liabilities expected to be financed from Governmental Funds are accounted for in this account group, not in the Governmental Funds.

C. Measurement Focus

Governmental Funds and the Expendable Trust Funds are accounted for on a spending or “financial flow” measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance is considered a measure of “available spendable resources.” Governmental Fund and Expendable Trust Fund operating statements present increases, revenues and other financing sources, and decreases, expenditures and other financing uses in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

D. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All Governmental Funds and the Expendable Trust Funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when they become both measurable and available. Available means collectible within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the liability is incurred, except for unmatured interest on general long-term debt, which is recognized when due. Disbursements for the purchase of assets providing future benefits are recorded as expenditures at time of purchase.

Property taxes, intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the county.

The assets and liabilities of the Agency Funds are accounted for using the modified accrual basis of accounting.

The County maintains its financial records on the cash basis. The financial statements of the County are prepared by making memorandum adjusting entries to the cash basis financial records.

E. Assets, Liabilities and Fund Equity

The following accounting policies are followed in preparing the combined balance sheet:

Cash and Pooled Investments – The cash balances of most County funds are pooled and invested. Interest earned on investments is recorded in the General Fund, unless otherwise provided by law. Investments are stated at fair value except for non-negotiable certificates of deposit which are stated at cost.

Property Tax Receivable – Property tax in Governmental Funds is accounted for using the modified accrual basis of accounting.

Property tax receivable is recognized in these funds on the levy or lien date, which is the date that the tax asking is certified by the County Board of Supervisors. Delinquent property taxes receivable represents unpaid taxes for the current and prior years. The succeeding year property tax receivable represents taxes certified by the Board of Supervisors to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the Board of Supervisors is required to certify its budget in March of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred and will not be recognized as revenue until the year for which it is levied.

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2000 assessed property valuations; is for the tax accrual period July 1, 2001 through June 30, 2002 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March, 2001.

Interest and Penalty on Property Tax Receivable – Interest and penalty on property tax receivable represents the amount of interest and penalty that was due and payable but has not been collected.

Special and Drainage Assessments Receivable – Special and drainage assessments receivable represent the amounts already assessed to individuals for work done on drainage districts which benefit their property. These assessments are payable by individuals in not less than 10 nor more than 20 annual installments. Each annual installment with interest on the unpaid balance is due on September 30 and is subject to the same interest and penalties as other taxes.

Future drainage assessments receivable represent amounts which will be assessed to individuals and levied against their property in the future for work already done on drainage districts which benefit their property.

Future drainage assessments receivable represent assessments which are due and payable but have not been collected.

Due from and Due to Other Funds – During the course of its operations, the County has numerous transactions between funds. To the extent that certain transactions between funds had not been paid or received as of June 30, 2002, balances of interfund amounts receivable or payable have been recorded.

Due from Other Governments – Due from other governments represents amounts due from the State of Iowa, various shared revenues, grants and reimbursements from other governments.

Due to Other Governments – Due to other governments represents taxes and other revenues collected by the County and payments for services which will be remitted to other governments.

Trusts Payable – Trusts payable represent amounts due to others which are held by various County officials in fiduciary capacities until the underlying legal matters are resolved.

Deferred Revenue – Although certain revenues are measurable, they are not available. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue represents the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue consists of unspent grant proceeds, the succeeding year property tax receivable, as well as delinquent property tax receivables and other receivables not collected within sixty days after year end.

Compensated Absences – County employees accumulate a limited amount of earned but unused vacation for subsequent use or for payment upon termination, death or retirements. For the Agency Funds, these accumulations are recorded as liabilities in the year earned. In the Governmental Funds, the cost of vacation payments expected to be liquidated currently are recorded as liabilities of the Governmental Fund. A liability has been recorded in the General Long-Term Debt Account Group representing the County's commitment to fund non-current compensated absences. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2002.

F. Budgets and Budgetary Accounting

In accordance with the Code of Iowa the County Board of Supervisors annually adopts a budget on the cash basis following required public notice and hearing for all funds except blended component units and agency funds, and appropriates the amount deemed necessary for each of the different County offices and departments. The budget may be amended during the year utilizing similar statutorily prescribed procedures. Encumbrances are not recognized on the cash basis budget and appropriations lapse at year end.

Formal and legal budgetary control is based upon 12 major classes of expenditures known as service areas, not by fund or fund type. These 12 service areas are: public safety, court services, physical health and education, mental health, social services, county environment, roads and transportation, state and local government services, interprogram services, non-program, debt service and capital projects. Service area disbursements required to be budgeted include disbursements for the general fund, special revenue funds, debt service funds, capital project funds and the expendable trust fund. Although the budget document presents service area disbursements by fund, the legal level of control is at the aggregated service area level, not at the fund or fund type level. Legal budgetary control is also based upon the appropriation to each office or department.

In addition, annual budgets are similarly adopted in accordance with the Code of Iowa by the appropriate governing body as indicated: for the County Extension Offices by the County Agricultural Extension Councils, for the County Assessor by the County Conference Board, for the E911 System by the Joint E911 Service Board and for Emergency Management Services by the County Emergency Management Commission.

Exhibit C is a comparison of cash basis receipts, disbursements and changes in balances with the cash basis budget, which is legally controlled by service area, not fund type. Operations and ending fund balances on the cash and modified accrual basis have been reconciled as follows:

	Governmental Fund Types					
	General			Special Revenue		
	Cash Basis	Accrual Adjust-ments	Modified Accrual Basis	Cash Basis	Accrual Adjust-ments	Modified Accrual Basis
Revenues	\$ 23,375,746	197,971	23,573,717	17,182,852	(289,658)	16,893,194
Expenditures	21,621,530	213,978	21,835,508	19,554,359	424,216	19,978,575
Net	1,754,216	(16,007)	1,738,209	(2,371,507)	(713,874)	(3,085,381)
Other financing sources (uses)	(525,226)	-	(525,226)	35,447	-	35,447
Beginning fund balances	7,642,943	(135,869)	7,507,074	9,008,149	(683,683)	8,324,466
Increase (decrease) in reserve for prepaid items	-	111,488	111,488	-	(6,024)	(6,024)
Ending fund balances	\$ 8,871,933	(40,388)	8,831,545	6,672,089	(1,403,581)	5,268,508

	Governmental Fund Types					
	Debt Service			Capital Projects		
	Cash Basis	Accrual Adjust-ments	Modified Accrual Basis	Cash Basis	Accrual Adjust-ments	Modified Accrual Basis
Revenues	\$ 1,255,217	76,897	1,332,114	55	-	55
Expenditures	1,576,934	3	1,576,937	169,817	(1,037)	168,780
Net	(321,717)	76,894	(244,823)	(169,762)	1,037	(168,725)
Other financing sources (uses)	312,182	-	312,182	181,097	-	181,097
Beginning fund balances	761,290	7,358	768,648	21,113	(1,037)	20,076
Increase (decrease) in reserve for prepaid items	-	-	-	-	9,375	9,375
Ending fund balances	\$ 751,755	84,252	836,007	32,448	9,375	41,823

	Fiduciary Fund Type					
	Expendable Trust			Total		
	Cash Basis	Accrual Adjust-ments	Modified Accrual Basis	Cash Basis	Accrual Adjust-ments	Modified Accrual Basis
Revenues	\$ 1,098	-	1,098	41,814,968	(14,790)	41,800,178
Expenditures	3,091	(928)	2,163	42,925,731	636,232	43,561,963
Net	(1,993)	928	(1,065)	(1,110,763)	(651,022)	(1,761,785)
Other financing sources (uses)	-	-	-	3,500	-	3,500
Beginning fund balances	2,317	(928)	1,389	17,435,812	(814,159)	16,621,653
Increase (decrease) in reserve for prepaid items	-	-	-	-	114,839	114,839
Ending fund balances	\$ 324	-	324	16,328,549	(1,350,342)	14,978,207

G. Total (Memorandum Only)

The total column on the combined balance sheet and the combined statement of revenues, expenditures and changes in fund balances is captioned "Memorandum Only" to indicate that it is presented only to facilitate financial analysis. Data in these columns does not present financial position or results of operations in conformity with U.S. generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

(2) Cash and Pooled Investments

The County's deposits at June 30, 2002 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The County is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Supervisors; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

The County's investments are categorized to give an indication of the level of risk assumed by the County at year end. The County's investments are all Category 2 which means that the investments are collateralized with securities held by the pledging financial institution's trust department or agent in the County's name.

Investments are stated at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

The County's investments at June 30, 2002 are as follows:

Type	Fair Value
Repurchase Agreements	<u>\$ 16,400,000</u>

(3) Due from and Due to Other Funds

The detail of interfund receivables and payables at June 30, 2002 is as follows:

Receivable Fund	Payable Fund	Amount
General	Trust and Agency:	
	County Recorder	\$144,930
	County Sheriff	102,012
	Auto License and Use Tax	42,782
	SWI Juvenile Emergency	
	Services Board	<u>2,697</u>
		<u>292,421</u>
Special Revenue:		
Secondary Roads	General	<u>8,443</u>

Receivable Fund	Payable Fund	Amount
Debt Service:	Special Revenue:	
Oakland Foods Urban Renewal Sinking	Oakland Foods Urban Renewal Revenue	10,377
Bent Tree Urban Renewal Sinking	Bent Tree Urban Renewal Revenue	<u>73,566</u>
		<u>83,943</u>
Trust and Agency:		
County Sheriff	General	879
Flexible Spending	General	<u>6,318</u>
		<u>7,197</u>
Total		<u>\$ 392,004</u>

(4) Due to Other Governments

The County purchases services from other governmental units and also acts as a fee and tax collection agent for various governmental units. The Agency Fund collections also include accruals of property tax for the succeeding year. The tax collections are remitted to those governments in the month following collection. A summary of amounts due to other governments is as follows:

Fund	Description	Amount
General	Services	<u>\$ 100,216</u>
Special Revenue:		
Secondary Roads		17,407
Mental Health		<u>663,281</u>
		<u>680,688</u>
Trust and Agency:		
Agricultural Extension Education	Collections	184,656
County Assessor		1,082,137
Schools		37,777,012
Community Colleges		2,144,021
Corporations		29,665,881
Townships		542,567
Auto License and Use Tax		1,375,913
Emergency Management		
Services		110,301
City Special Assessments		236,958
SWI Juvenile Emergency Services		
Board		540,426
E911 Communication Equipment		75,218
E911 Surcharge		169,214
All other		<u>140,812</u>
		<u>74,045,116</u>
Total		<u>\$ 74,826,020</u>

(5) Long-Term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2002:

	General Obligation Capital Loan Notes	Urban Renewal Revenue Capital Loan Notes	Mortgage Loan	Lease- Purchase Agree- ments	Conservation Foundation Real Estate Contract	Compen- sated Absences	Total
Balance beginning of year	\$ 13,440,000	3,260,000	492,062	44,684	44,643	485,758	17,767,147
Additions	-	-	-	-	-	9,606	9,606
Reductions	580,000	65,000	17,691	34,213	21,582	-	718,486
Balance end of year	\$ 12,860,000	3,195,000	474,371	10,471	23,061	495,364	17,058,267

General Obligation Capital Loan Notes:

On December 19, 1996, the County issued \$9,800,000 and \$2,400,000 of general obligation capital loan notes, series 1996A and series 1996B, respectively, to construct the County jail. On December 18, 1997, the County issued \$2,700,000 of general obligation capital loan notes, series 1997, to complete construction of the County jail. The notes are payable from a continuing annual levy of taxes against all taxable property of the County. Annual debt service requirements to maturity of the general obligation capital loan notes are as follows:

Year Ending June 30,	General Obligation Capital Loan Notes					
	Series 1996A			Series 1996B		
	Issued December 19, 1996			Issued December 19, 1996		
	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest
2003		\$ -	512,705	6.25%	\$ 505,000	42,273
2004	5.20%	380,000	512,705	6.30%	170,000	10,710
2005	5.20%	580,000	492,945		-	-
2006	5.20%	605,000	462,785		-	-
2007	5.20%	640,000	431,325		-	-
2008	5.20%	675,000	398,045		-	-
2009	5.20%	710,000	362,945		-	-
2010	5.25%	750,000	326,025		-	-
2010	5.25%	750,000	326,025		-	-
2012	5.25%	835,000	245,175		-	-
2013	5.25%	880,000	201,338		-	-
2014	5.25%	930,000	155,138		-	-
2015	5.25%	985,000	106,313		-	-
2016	5.25%	1,040,000	54,600		-	-
2017		-	-		-	-
Total		\$ 9,800,000	4,548,694		\$ 675,000	52,983

Year Ending June 30,	General Obligation Capital Loan Notes					
	Series 1997			Total General Obligation		
	Issued December 18, 1997			Capital Loan Notes Payable		
	Interest Rates	Principal	Interest	Principal	Interest	Total
2003	4.80%	\$ 110,000	115,295	\$ 615,000	670,273	1,285,273
2004	4.80%	115,000	110,015	665,000	633,430	1,298,430
2005	4.80%	125,000	104,495	705,000	597,440	1,302,440
2006	4.80%	130,000	98,495	735,000	561,280	1,296,280
2007	4.80%	135,000	92,255	775,000	523,580	1,298,580
2008	4.80%	140,000	85,775	815,000	483,820	1,298,820
2009	4.85%	145,000	79,055	855,000	442,000	1,297,000
2010	4.85%	155,000	72,023	905,000	398,048	1,303,048
2010	4.85%	155,000	72,023	905,000	398,048	1,303,048
2012	4.85%	170,000	56,745	1,005,000	301,920	1,306,920
2013	4.85%	180,000	48,500	1,060,000	249,838	1,309,838
2014	4.85%	190,000	39,770	1,120,000	194,908	1,314,908
2015	4.85%	200,000	30,555	1,185,000	136,868	1,321,868
2016	4.85%	210,000	20,855	1,250,000	75,455	1,325,455
2017	4.85%	220,000	10,670	220,000	10,670	230,670
Total		\$ 2,385,000	1,029,008	\$ 12,860,000	5,630,685	18,490,685

During the year ended June 30, 2002, \$580,000 of general obligation capital loan notes were retired.

Urban Renewal Revenue Capital Loan Notes:

During the year ended June 30, 2001, the County issued \$1,470,000 and \$1,825,000 of urban renewal revenue capital loan notes to finance economic development at Oakland Foods and improvements for the Airport/Bent Tree development, respectively. The notes are payable from the establishment of urban renewal districts in certain areas of the County from the taxes from those areas. Annual payment requirements to maturity of the urban renewal revenue capital loan notes are as follows:

Year Ending June 30,	Urban Renewal Revenue Capital Loan Notes								
	Series 1999			Series 2000			Total Urban Renewal		
	Issued December 1, 1999			Issued March 1, 2000			Revenue Capital Loan Notes Payable		
	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest	Principal	Interest	Total
2003	5.25%	\$ 95,000	76,470		\$ -	122,382	\$ 95,000	198,852	293,852
2004	5.35%	130,000	71,482	6.30%	30,000	122,383	160,000	193,865	353,865
2005	5.45%	165,000	64,528	6.40%	80,000	120,492	245,000	185,020	430,020
2006	5.55%	175,000	55,535	6.50%	120,000	115,373	295,000	170,908	465,908
2007	5.60%	185,000	45,823	6.55%	180,000	107,572	365,000	153,395	518,395
2008	5.65%	195,000	35,462	6.60%	220,000	95,783	415,000	131,245	546,245
2009	5.70%	205,000	24,445	6.65%	250,000	81,262	455,000	105,707	560,707
2010	5.80%	220,000	12,760	6.75%	270,000	64,638	490,000	77,398	567,398
2011		-	-	6.85%	325,000	46,412	325,000	46,412	371,412
2012		-	-	6.90%	350,000	24,150	350,000	24,150	374,150
Total		\$ 1,370,000	386,505		\$ 1,825,000	900,447	\$ 3,195,000	1,286,952	4,481,952

The resolutions providing for the issuance of the urban renewal revenue capital loan notes include the following provisions:

- (a) The notes will only be redeemed from the net revenues of the urban renewal project and the note holders hold a lien on the future net revenues of the urban renewal project.
- (b) Sufficient transfers shall be made to a separate debt service urban renewal sinking account for the purpose of making the note principal and interest payments when due.
- (c) Additional transfers will be made to maintain a debt service urban renewal reserve in an amount equal to 10% of the stated principal amount of the notes. These accounts are restricted for the purpose of paying for principal at maturity or interest on the notes if there is insufficient money available in the sinking fund.

During the year ended June 30, 2002, the County was in compliance with the revenue note provisions.

Also, during the year ended June 30, 2002, \$65,000 of urban renewal revenue capital loan notes were retired.

Mortgage Loan:

On February 4, 1993, the County borrowed \$600,000 from the Firststar Bank and used the proceeds to acquire land for an industrial development site. The loan is secured by a note and first mortgage on the property purchased and requires nineteen semi-annual payments of \$22,867, including 5.75% per annum interest, with a final balloon payment of \$478,292 due March 1, 2003, including principal and interest. The loan payments are paid from the Industrial Development Site Fund. The balance owed on the loan was \$474,371 at June 30, 2002.

Lease Purchase Agreements:

The County has leased copy machines and computer equipment under non-cancelable lease purchase agreements. The interest rates range from 10.0% to 14.69%. The following is a schedule of the future minimum lease payments and the present value of net minimum lease payments under the agreements in effect at June 30, 2002:

Year Ending June 30,	County Attorney Copy Machine	Planning & Development Conservation Copy Machine	Communication Center Copy Machine	Total
2003	\$ 4,740	3,042	943	8,725
2004	2,370	-	393	2,763
Total minimum lease payments	7,110	3,042	1,336	11,488
Less amount representing interest	(763)	(147)	(107)	(1,017)
Present value of net minimum lease payments	\$ 6,347	2,895	1,229	10,471

Payments under lease-purchase agreements for the year ended June 30, 2002 totaled \$38,626.

Conservation Foundation Real Estate Contract:

On January 12, 1998, the Pottawattamie Conservation Foundation entered into a real estate contract for 80 acres of land at a cost of \$101,500. A down payment of \$1,500 was required at the time the contract was signed. The contract requires five annual payments of \$25,377 beginning on January 1, 1999, including interest at 8.5% per annum. The balance owed on the contract was \$23,061 at June 30, 2002.

(6) Economic Development Loan

Pottawattamie County has made a loan for economic development and building construction purposes. The County records the loan activity in the General Fund and the June 30, 2002 loan balance is included in accounts receivable.

Pottawattamie County had one outstanding loan at June 30, 2002 as follows:

Loaned to	Date of Loan	Original Loan Amount	Interest Rate	Term of Loan	Loan Balance June 30, 2002
Building Construction Loan:					
Vocational Development Center, Inc.	Oct 30, 1989	\$35,000	5%	May 1, 2003	<u>\$ 6,391</u>

(7) Pension and Retirement Benefits

The County contributes to the Iowa Public Employees Retirement System (IPERS) which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by state statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa, 50306-9117.

Plan members are required to contribute 3.70% of their annual covered salary and the County is required to contribute 5.75% of annual covered payroll except for law enforcement employees, in which case the percentages are 5.50% and 8.25%, respectively. Contribution requirements are established by state statute. The County's contribution to IPERS for the years ended June 30, 2002, 2001, and 2000 were \$846,793, \$804,771 and \$725,907 respectively, equal to the required contributions for each year.

(8) Risk Management

Pottawattamie County is a member in the Iowa Communities Assurance Pool, as allowed by Chapter 331.301 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool with over 400 members from various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials liability, police professional liability, property and inland marine. There have been no reductions in insurance coverage from prior years.

Each member's annual casualty contributions to the Pool fund current operations and provide capital. Annual operating contributions are those amounts necessary to fund, on a cash basis, the Pool's general and administrative expenses, claims, claims expenses and reinsurance expenses due and payable in the current year, plus all or any portion of any deficiency in capital. Capital contributions are made during the

first six years of membership and are maintained to equal 300 percent of the total current members' basis rates or to comply with the requirements of any applicable regulatory authority having jurisdiction over the Pool.

The Pool also provides property coverage. Members who elect such coverage make annual operating contributions which are necessary to fund, on a cash basis, the Pool's general and administrative expenses and reinsurance premiums, all of which are due and payable in the current year, plus all or any portion of any deficiency in capital. Any year-end operating surplus is transferred to capital. Deficiencies in operations are offset by transfers from capital and, if insufficient, by the subsequent year's member contributions.

The County's property and casualty contributions to the risk pool are recorded as expenditures from its operating funds at the time of payment to the risk pool. The County's annual contributions to the Pool for the year ended June 30, 2002 were \$289,946.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, police professional, and public officials' liability risks up to \$250,000 per claim. Claims exceeding \$250,000 are reinsured in an amount not to exceed \$1,750,000 per claim and \$5,000,000 in aggregate per year. For members requiring specific coverage from \$2,000,000 to \$15,000,000, such excess coverage is also reinsured. All property risks, including automobile physical damage, are also reinsured on an individual-member basis.

The Pool's intergovernmental contract with its members provides that in the event a casualty claim or series of claims exceeds the amount of risk-sharing protection provided by the member's risk-sharing certificate, or in the event that a series of casualty claims exhausts total members' equity plus any reinsurance and any excess risk-sharing recoveries, then payment of such claims shall be the obligation of the respective individual member. The County does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable that such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2002, no liability has been recorded in the County's financial statements. As of June 30, 2002, settled claims have not exceeded the risk pool or reinsurance company coverage since the pool's inception.

Members agree to continue membership in the Pool for a period of not less than one full year. After such period, a member who has given 60 days prior written notice may withdraw from the Pool. Upon withdrawal, payments for all claims and claims expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the member's withdrawal. Members withdrawing within the first six years of membership may receive a partial refund of their capital contributions. If a member withdraws after the sixth year, the member is refunded 100 percent of its capital contributions, however, the refund is reduced by an amount equal to the annual operating contribution which the withdrawing member would have made for the one-year period following withdrawal.

The County also carries commercial insurance purchased from other insurers for coverage associated with workers compensation and employee blanket bond in the amount of \$500,000 and \$100,000, respectively. The County assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

(9) Jointly Governed Organization

Pottawattamie County participates in the Southwest Iowa Juvenile Emergency Services Board, a jointly governed organization formed pursuant to the provisions of Chapter 28E of the Code of Iowa. Financial transactions of this organization are included in the County's financial statements as an agency fund because of the County's fiduciary relationship with the organization. The following financial data is for the year ended June 30, 2002:

Additions:

Reimbursements from Counties:

Pottawattamie County	\$ 514,252	
Shelby County	22,566	
Harrison County	29,094	
Cass County	19,094	
Audubon County	5,283	
Mills County	37,470	
Montgomery County	34,264	
Fremont County	24,717	
Page County	<u>25,471</u>	\$ 712,211
National school lunch program		8,345
School breakfast program		5,509
Interest on investments		21,016
State direct receiving grant		22,672
Iowa detention services grant		333,400
Miscellaneous		<u>38,400</u>
Total additions		<u>1,141,553</u>

Deductions:

Salaries	581,532	
Employee benefits	136,088	
Commodities and nutrition services	40,276	
Office supplies	7,125	
Communications and transportation	7,187	
Professional services	13,603	
Utilities	19,729	
Building repair and maintenance	9,310	
Insurance	31,945	
Capital project building expansion	19,825	
Refunds to counties	662,726	
Miscellaneous	<u>345</u>	<u>1,529,691</u>

Net (388,138)

Balance beginning of year 972,076

Balance end of year \$ 583,938

(10) Industrial Development Revenue Bonds

The County has issued a total of \$24,950,000 of industrial development revenue bonds under the provisions of Chapter 419 of the Code of Iowa. The bonds and related interest are payable solely from the rents payable by tenants of the properties constructed, and the bond principal and interest do not constitute liabilities of the County.

(11) Public Safety Commission

The County entered into an intergovernmental cooperative agreement with the City of Council Bluffs under Chapter 28E of the Code of Iowa to coordinate public safety and

law enforcement communications. The Commission provides centralized law enforcement facilities and communications. The County received \$775,736 from the Commission during the year ended June 30, 2002.

(12) Construction Commitment

The County has entered into a contract totaling \$1,239,000 for renovation of the third and fourth floors of the courthouse. As of June 30, 2002, costs of \$78,838 on the renovation project have been incurred. The balance remaining on the project at June 30, 2002 of \$1,160,162 will be paid as work on the project progresses.

(13) Prospective Accounting Change

The Governmental Accounting Standards Board has issued Statement Number 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, Statement Number 37, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus, and Statement Number 38, Certain Financial Statement Note Disclosures. These statements will be implemented for the fiscal year ending June 30, 2003. The effects are expected to significantly impact the presentation of government financial statement in the year of implementation. The revised requirements include using the economic resources measurement focus and full accrual basis of accounting. Also, the revised minimum reporting requirements include Management's Discussion and Analysis to introduce the basic financial statements and to provide an analytical overview of the financial activities.

(14) Budget Overexpenditure

Per the Code of Iowa, disbursements may not legally exceed amounts budgeted by Service Area or amounts appropriated by department. During the year ended June 30, 2002, disbursements exceeded the amount budgeted in the Physical Health and Education Service Area and disbursements in certain departments exceeded the amounts appropriated.

Supplemental Information

Schedule 1

Pottawattamie County

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Year ended June 30, 2002

Revenues:

Property and other County tax:

Property tax	\$ 11,140,203	
Local option sales tax	117,945	
Utility tax replacement excise tax	882,992	
Pari-mutuel wager tax	747,820	
Gaming wager tax	1,239,688	
Other	<u>28,838</u>	\$ 14,157,486

Interest and penalty on property tax		290,890
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Intergovernmental:

State shared revenues:

Other	<u>75,235</u>	
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State grants and reimbursements including indirect federal funding:

Juvenile crime prevention community grant	119,797	
Human services administrative reimbursement	131,931	
Home care aid grant	198,333	
Public health nurse grant	106,238	
Special supplemental nutrition program for women, infants, and children	271,448	
Other	<u>267,535</u>	
	<u>1,095,282</u>	

State tax replacements:

State tax credits	596,824	
State allocation	<u>295,632</u>	
	<u>892,456</u>	

Direct federal grants and entitlements:

Other	<u>7,000</u>	
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Contributions and reimbursements from other governmental units:

Contract law enforcement	101,102	
Prisoner care	2,260,455	
Communication center	775,736	
Refund from Southwest Iowa Juvenile Emergency Services	481,522	
Other	<u>309,490</u>	
	<u>3,928,305</u>	

Payments in lieu of taxes	<u>7,541</u>	6,005,819
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Pottawattamie County

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Year ended June 30, 2002

Revenues (continued):		
Licenses and permits		13,710
Charges for service:		
Office fees and collections:	1,114,422	
Auto registration, use tax and mailing	539,248	
Other	<u>301,745</u>	1,955,415
Use of money and property:		
Interest on investments	456,617	
Other	<u>37,859</u>	494,476
Fines, forfeitures and defaults		87,165
Miscellaneous:		
Contributions and donations	17,220	
Unclaimed money and property	3,904	
Insurance reimbursements	475,573	
Miscellaneous	<u>72,059</u>	568,756
Total revenues		<u>23,573,717</u>
Expenditures:		
Operating:		
Public safety		11,071,069
Court services		395,043
Physical health and education		645,488
Social services		1,632,657
County environment		1,266,493
State and local government services		1,183,745
Interprogram services		<u>5,641,013</u>
Total expenditures		<u>21,835,508</u>
Excess of revenues over expenditures		<u>1,738,209</u>

Schedule 1

Pottawattamie County

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Year ended June 30, 2002

Other financing sources (uses):		
Sale of general fixed assets		3,500
Operating transfers in (out):		
Special Revenue:		
Flood and Erosion	(75,000)	
Secondary Roads	(300,000)	
Debt Service:		
Mental Health 1994	9,212	
Mental Health 1995	17,992	
Election Lease	167	
Capital Projects:		
Jail	5,044	
Geographical Information System	(186,141)	(528,726)
Total other financing sources (uses)		<u>(525,226)</u>
Excess of revenues and other financing sources over expenditures and other financing uses		1,212,983
Fund balance beginning of year		7,507,074
Increase in prepaid items		<u>111,488</u>
Fund balance end of year		<u><u>\$ 8,831,545</u></u>

See accompanying independent auditor's report.

Pottawattamie County

General Fund

Statement of Expenditures

Year ended June 30, 2002

Public Safety Service Area:

Law enforcement:

Uniformed patrol services	\$ 2,086,406	
Investigations	193,660	
Law enforcement communication	1,036,826	
Adult correction services	6,028,547	
Administration	323,629	
	<u>9,669,068</u>	

Legal services:

Criminal prosecution	1,187,930	
Medical examinations	82,238	
	<u>1,270,168</u>	

Emergency services:

Ambulance services	17,045	
Emergency management	104,788	
E911 service board	10,000	
	<u>131,833</u>	\$ 11,071,069

Court Services Service Area:

Court proceedings:

Juries and witnesses	4,953	
Detention services	65,917	
Service of civil papers	295,324	
	<u>366,194</u>	

Juvenile justice administration:

Court-appointed attorneys and court costs for juveniles	<u>28,849</u>	395,043
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Physical Health and Education Service Area:

Physical health services:

Personal and family health services	321,428	
Sanitation	3,877	
Health administration	309,183	
	<u>634,488</u>	

Educational services:

Historic preservation	<u>11,000</u>	645,488
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Schedule 2

Pottawattamie County

General Fund

Statement of Expenditures

Year ended June 30, 2002

Social Services Service Area:

Services to the poor:

Administration	256,189	
General welfare services	202,305	
Care in County Care Facility	118,075	
	<u>576,569</u>	

Services to military veterans:

Administration	131,620	
General services to veterans	27,393	
	<u>159,013</u>	

Children and family services:

Youth guidance	819,296	
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Services to other adults:

Services to the elderly	11,313	
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Chemical dependency:

Treatment services	66,466	1,632,657
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County Environment Service Area:

Conservation and recreation services:

Administration	289,654	
Maintenance and operations	88,619	
Recreation and environmental education services	362,389	
	<u>740,662</u>	

County development:

Land use and building controls	146,218	
Economic development	379,613	
	<u>525,831</u>	1,266,493

State and Local Government Services Service Area:

Representation services:

Elections administration	324,624	
Local elections	120,898	
	<u>445,522</u>	

State administrative services:

Motor vehicle registrations and licensing	367,450	
Recording of public documents	370,773	
	<u>738,223</u>	1,183,745

Pottawattamie County

General Fund

Statement of Expenditures

Year ended June 30, 2002

Interprogram Services Service Area:

Policy and administration:

General County management	2,562,114
Administrative management services	515,882
Treasury management services	445,038
Other policy and administration	138,735
	<u>3,661,769</u>

Central services:

General services	719,973
Data processing services	439,402
	<u>1,159,375</u>

Risk management services:

Tort liability	397,298	
Safety of the workplace	422,571	
	<u>819,869</u>	<u>5,641,013</u>

Total		<u>\$ 21,835,508</u>
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See accompanying independent auditor's report.

Pottawattamie County
Special Revenue Funds
Combining Balance Sheet
June 30, 2002

	Rural Services	Secondary Roads	Resource Enhance- ment and Protection	County Recorder's Records Management	Drainage Districts	Mental Health	Juvenile Diversion	Soil Conservation District East
Assets								
Cash and pooled investments:								
County Treasurer	\$ 326,450	4,127,154	49,299	30,157	10,754	1,429,241	2,267	274,304
Conservation Foundation	-	-	-	-	-	-	-	-
Receivables:								
Property tax:								
Delinquent	15,234	-	-	-	-	25,833	-	-
Succeeding year	2,615,000	-	-	-	-	3,895,000	-	-
Accounts	3,800	86	-	-	-	70,108	-	-
Future drainage assessments	-	-	-	-	50	-	-	-
Due from other funds	-	8,443	-	-	-	-	-	-
Due from other governments	28,053	508,539	569	-	-	3,160	-	9,351
Total assets	\$2,988,537	4,644,222	49,868	30,157	10,804	5,423,342	2,267	283,655
Liabilities and Fund Equity								
Liabilities:								
Accounts payable	\$ 8,533	762,661	-	525	-	292,341	75	4,496
Salaries and benefits payable	3,602	100,299	-	-	-	38,333	-	-
Due to other funds	-	-	-	-	-	-	-	-
Due to other governments	-	17,407	-	-	-	663,281	-	-
Deferred revenue:								
Succeeding year property tax	2,615,000	-	-	-	-	3,895,000	-	-
Other	14,973	-	569	-	50	25,469	-	-
Compensated absences	1,139	44,733	-	-	-	20,466	-	-
Total liabilities	2,643,247	925,100	569	525	50	4,934,890	75	4,496
Fund equity:								
Unreserved fund balance	345,290	3,719,122	49,299	29,632	10,754	488,452	2,192	279,159
Total liabilities and fund equity	\$2,988,537	4,644,222	49,868	30,157	10,804	5,423,342	2,267	283,655

See accompanying independent auditor's report.

Schedule 3

Soil Conservation District West	Conservation Foundation	Industrial Develop- ment Site	Flood and Erosion	Oakland Foods Urban Renewal Revenue	Bent Tree Urban Renewal Revenue	Bent Tree Water- line	Community Development Block Grant	County Attorney Drug Forfeiture	Special Law Enforce- ment	Total
219,057	-	55,324	5,161	-	-	39,804	-	18,798	1,831	6,589,601
-	82,488	-	-	-	-	-	-	-	-	82,488
-	-	-	-	-	-	-	-	-	-	41,067
-	-	-	-	284,000	127,000	-	-	-	-	6,921,000
-	-	-	-	-	-	-	-	-	-	73,994
-	-	-	-	-	-	-	-	-	-	50
-	-	-	-	-	-	-	-	-	-	8,443
9,351	-	-	-	-	-	-	-	-	1,250	560,273
228,408	82,488	55,324	5,161	284,000	127,000	39,804	-	18,798	3,081	14,276,916
-	-	-	-	-	-	-	-	-	1,250	1,069,881
-	-	-	1,322	-	-	-	-	-	-	143,556
-	-	-	-	10,377	73,566	-	-	-	-	83,943
-	-	-	-	-	-	-	-	-	-	680,688
-	-	-	-	284,000	127,000	-	-	-	-	6,921,000
-	-	-	-	-	-	-	-	-	1,250	42,311
-	-	-	691	-	-	-	-	-	-	67,029
-	-	-	2,013	294,377	200,566	-	-	-	2,500	9,008,408
228,408	82,488	55,324	3,148	(10,377)	(73,566)	39,804	-	18,798	581	5,268,508
228,408	82,488	55,324	5,161	284,000	127,000	39,804	-	18,798	3,081	14,276,916

Pottawattamie County

Special Revenue Funds

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances

Year ended June 30, 2002

	Rural Services	Secondary Roads	Resource Enhance- ment and Protection	County Recorder's Records Management	Drainage Districts	Mental Health	Juvenile Diversion
Revenues:							
Property and other County tax:							
Property tax	\$ 2,323,751	-	-	-	-	1,527,244	-
Local option sales tax	353,835	1,651,230	-	-	-	-	-
Utility tax replacement excise tax	125,538	-	-	-	-	121,015	-
Tax increment financing	-	-	-	-	-	-	-
Other	125	-	-	-	-	3,952	-
	<u>2,803,249</u>	<u>1,651,230</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,652,211</u>	<u>-</u>
Intergovernmental:							
State shared revenues:							
Road use tax	-	4,502,459	-	-	-	-	-
State grants and reimbursements including indirect federal funding:							
Highway planning and construction	-	565,484	-	-	-	-	-
Community development block grant	-	-	-	-	-	-	-
Social services block grant	-	-	-	-	-	428,224	-
MH-DD community services fund allocation	-	-	-	-	-	264,508	-
Other	15,000	49,379	18,394	-	-	-	1,204
	<u>15,000</u>	<u>614,863</u>	<u>18,394</u>	<u>-</u>	<u>-</u>	<u>692,732</u>	<u>1,204</u>
State tax replacements:							
State tax credits	122,928	-	-	-	-	81,735	-
MH-DD allowed growth factor adjustment	-	-	-	-	-	121,067	-
Mental health property tax relief	-	-	-	-	-	2,610,874	-
	<u>122,928</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,813,676</u>	<u>-</u>
Direct federal grants and entitlements:							
Medicare and medicaid	-	-	-	-	-	663,929	-
Other	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>663,929</u>	<u>-</u>
Contributions and reimbursements from other governmental units	53,540	-	-	-	-	-	-
Payments in lieu of taxes	310	-	-	-	-	1,033	-
	<u>191,778</u>	<u>5,117,322</u>	<u>18,394</u>	<u>-</u>	<u>-</u>	<u>4,171,370</u>	<u>1,204</u>

Schedule 4

Soil Con- servation District East	Soil Con- servation District West	Conser- vation Found- ation	Industrial Develop- ment Site	Flood and Erosion	Oakland Foods Urban Renewal Revenue	Bent Tree Urban Renewal Revenue	Bent Tree Water- line	Community Development Block Grant	County Attorney Drug Forfeiture	Special Law Enforce- ment	Total
-	-	-	-	-	-	-	-	-	-	-	3,850,995
117,945	117,945	-	-	-	-	-	-	-	-	-	2,240,955
-	-	-	-	-	-	-	-	-	-	-	246,553
-	-	-	-	-	183,389	32,553	-	-	-	-	215,942
-	-	-	-	-	-	-	-	-	-	-	4,077
117,945	117,945	-	-	-	183,389	32,553	-	-	-	-	6,558,522
-	-	-	-	-	-	-	-	-	-	-	4,502,459
-	-	-	-	-	-	-	-	-	-	-	565,484
-	-	-	-	-	-	-	-	128,922	-	-	128,922
-	-	-	-	-	-	-	-	-	-	-	428,224
-	-	-	-	-	-	-	-	-	-	-	264,508
-	-	-	-	-	-	-	-	-	84,064	-	168,041
-	-	-	-	-	-	-	-	128,922	84,064	-	1,555,179
-	-	-	-	-	-	235	-	-	-	-	204,898
-	-	-	-	-	-	-	-	-	-	-	121,067
-	-	-	-	-	-	-	-	-	-	-	2,610,874
-	-	-	-	-	-	235	-	-	-	-	2,936,839
-	-	-	-	-	-	-	-	-	-	-	663,929
-	-	-	-	-	-	-	-	-	-	4,031	4,031
-	-	-	-	-	-	-	-	-	-	4,031	667,960
-	-	-	-	-	-	-	-	-	-	-	53,540
-	-	-	-	-	-	-	-	-	-	-	1,343
-	-	-	-	-	-	235	-	128,922	84,064	4,031	9,717,320

Pottawattamie County

Special Revenue Funds

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances

Year ended June 30, 2002

	Rural Services	Secondary Roads	Resource Enhance- ment and Protection	County Recorder's Records Management	Drainage Districts	Mental Health	Juvenile Diversion
Revenues (continued):							
Licenses and permits	60,749	2,375	-	-	-	-	-
Charges for service:							
Work done for others	-	4,210	-	-	-	-	-
Resident care	-	-	-	-	-	204,662	-
Document management fee	-	-	-	27,286	-	-	-
Other	40	-	-	-	-	-	-
	40	4,210	-	27,286	-	204,662	-
Use of money and property:							
Interest on investments	-	-	930	52	-	-	-
Rent	-	-	-	-	-	-	-
Other	55	-	-	-	-	-	-
	55	-	930	52	-	-	-
Fines, forfeitures and defaults	-	49	-	-	-	-	-
Miscellaneous:							
Special assessments	-	3,442	-	-	-	-	-
Sale of materials	-	64,370	-	-	-	-	-
Contributions and donations from private sources	-	-	5,000	-	-	-	-
Miscellaneous	-	47,455	-	-	-	-	-
	-	115,267	5,000	-	-	-	-
Total revenues	3,055,871	6,890,453	24,324	27,338	-	6,028,243	1,204
Expenditures:							
Operating:							
Public Safety Service Area:							
Law Enforcement:							
Administration	-	-	-	-	-	-	-
Legal Services:							
Criminal prosecution	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Physical Health and Education Service Area:							
Physical health services:							
Sanitation	73,553	-	-	-	-	-	-
Educational services:							
Libraries	80,077	-	-	-	-	-	-
	153,630	-	-	-	-	-	-
Mental Health Service Area:							
Persons with mental health problems - mental illness:							
General administration	-	-	-	-	-	280,509	-
Coordination services	-	-	-	-	-	627,988	-
Treatment services	-	-	-	-	-	204,760	-
Institutional, hospital, and commitment services	-	-	-	-	-	415,227	-
	-	-	-	-	-	1,528,484	-

Schedule 4

Soil Con- servation District East	Soil Con- servation District West	Conser- vation Found- ation	Industrial Develop- ment Site	Flood and Erosion	Oakland Foods Urban Renewal Revenue	Bent Tree Urban Renewal Revenue	Bent Tree Water- line	Community Development Block Grant	County Attorney Drug Forfeiture	Special Law Enforce- ment	Total
-	-	-	-	-	-	-	-	-	-	-	63,124
-	-	-	-	-	-	-	-	-	-	-	4,210
-	-	-	-	-	-	-	-	-	-	-	204,662
-	-	-	-	-	-	-	-	-	-	-	27,286
-	-	-	-	-	-	-	-	-	-	-	40
-	-	-	-	-	-	-	-	-	-	-	236,198
-	-	2,475	2,472	-	-	9,509	-	-	-	-	15,438
-	-	-	48,280	-	-	-	-	-	-	-	48,280
-	-	-	-	-	-	-	-	-	-	-	55
-	-	2,475	50,752	-	-	9,509	-	-	-	-	63,773
-	-	-	-	-	-	-	-	-	-	-	49
-	-	-	-	-	-	-	-	-	-	-	3,442
-	-	-	-	-	-	-	-	-	-	-	64,370
-	-	109,758	-	-	-	-	-	-	-	-	114,758
-	-	-	-	-	-	-	24,183	-	-	-	71,638
-	-	109,758	-	-	-	-	24,183	-	-	-	254,208
117,945	117,945	112,233	50,752	-	183,389	42,297	24,183	128,922	84,064	4,031	16,893,194
-	-	-	-	-	-	-	-	-	-	3,450	3,450
-	-	-	-	-	-	-	-	-	65,266	-	65,266
-	-	-	-	-	-	-	-	-	65,266	3,450	68,716
-	-	-	-	-	-	-	-	-	-	-	73,553
-	-	-	-	-	-	-	-	-	-	-	80,077
-	-	-	-	-	-	-	-	-	-	-	153,630
-	-	-	-	-	-	-	-	-	-	-	280,509
-	-	-	-	-	-	-	-	-	-	-	627,988
-	-	-	-	-	-	-	-	-	-	-	204,760
-	-	-	-	-	-	-	-	-	-	-	415,227
-	-	-	-	-	-	-	-	-	-	-	1,528,484

Pottawattamie County

Special Revenue Funds

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances

Year ended June 30, 2002

	Rural Services	Secondary Roads	Resource Enhance- ment and Protection	County Recorder's Records Management	Drainage Districts	Mental Health	Juvenile Diversion
Expenditures (continued):							
Operating:							
Mental Health Service Area:							
Persons with chronic mental illness:							
Coordination services	-	-	-	-	-	2,249	-
Personal and environmental support	-	-	-	-	-	30,318	-
Treatment services	-	-	-	-	-	29,569	-
Vocational and day services	-	-	-	-	-	75,447	-
Licensed or certified living arrangements	-	-	-	-	-	686,880	-
Institutional, hospital, and commitment services	-	-	-	-	-	233,129	-
	-	-	-	-	-	1,057,592	-
Persons with mental retardation:							
Coordination services	-	-	-	-	-	82,883	-
Personal and environmental support	-	-	-	-	-	927,753	-
Vocational and day services	-	-	-	-	-	945,179	-
Licensed or certified living arrangements	-	-	-	-	-	1,975,191	-
Institutional, hospital, and commitment services	-	-	-	-	-	1,188,830	-
	-	-	-	-	-	5,119,836	-
Persons with other developmental disabilities:							
Coordination services	-	-	-	-	-	2,734	-
Personal and environmental support	-	-	-	-	-	11,452	-
	-	-	-	-	-	14,186	-
	-	-	-	-	-	7,720,098	-
Social Services Service Area:							
Children's and family services:							
Youth Guidance	-	-	-	-	-	-	1,839
County Environment Service Area:							
Environmental quality:							
Natural resources conservation	-	-	-	-	-	-	-
Solid waste disposal	152,550	-	-	-	-	-	-
	152,550	-	-	-	-	-	-
Conservation and recreation services:							
Administration	-	-	12,708	-	-	-	-
Animal control:							
Animal shelter	12,607	-	-	-	-	-	-
County development:							
Economic development	30,100	-	-	-	-	-	-
	195,257	-	12,708	-	-	-	-

Schedule 4

Soil Con- servation District East	Soil Con- servation District West	Conser- vation Found- ation	Industrial Develop- ment Site	Flood and Erosion	Oakland Foods Urban Renewal Revenue	Bent Tree Urban Renewal Revenue	Bent Tree Water- line	Community Development Block Grant	County Attorney Drug Forfeiture	Special Law Enforce- ment	Total
-	-	-	-	-	-	-	-	-	-	-	2,249
-	-	-	-	-	-	-	-	-	-	-	30,318
-	-	-	-	-	-	-	-	-	-	-	29,569
-	-	-	-	-	-	-	-	-	-	-	75,447
-	-	-	-	-	-	-	-	-	-	-	686,880
-	-	-	-	-	-	-	-	-	-	-	233,129
-	-	-	-	-	-	-	-	-	-	-	1,057,592
-	-	-	-	-	-	-	-	-	-	-	82,883
-	-	-	-	-	-	-	-	-	-	-	927,753
-	-	-	-	-	-	-	-	-	-	-	945,179
-	-	-	-	-	-	-	-	-	-	-	1,975,191
-	-	-	-	-	-	-	-	-	-	-	1,188,830
-	-	-	-	-	-	-	-	-	-	-	5,119,836
-	-	-	-	-	-	-	-	-	-	-	2,734
-	-	-	-	-	-	-	-	-	-	-	11,452
-	-	-	-	-	-	-	-	-	-	-	14,186
-	-	-	-	-	-	-	-	-	-	-	7,720,098
-	-	-	-	-	-	-	-	-	-	-	1,839
67,660	68,008	114,456	-	73,733	-	-	-	-	-	-	323,857
-	-	-	-	-	-	-	-	-	-	-	152,550
67,660	68,008	114,456	-	73,733	-	-	-	-	-	-	476,407
-	-	-	-	-	-	-	-	-	-	-	12,708
-	-	-	-	-	-	-	-	-	-	-	12,607
-	-	-	-	-	-	-	-	-	-	-	30,100
67,660	68,008	114,456	-	73,733	-	-	-	-	-	-	531,822

Pottawattamie County

Special Revenue Funds

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances

Year ended June 30, 2002

	Rural Services	Secondary Roads	Resource Enhance- ment and Protection	County Recorder's Records Management	Drainage Districts	Mental Health	Juvenile Diversion
Expenditures (continued):							
Operating:							
Roads and Transportation Service Area:							
Secondary roads administration and engineering:							
Administration	-	298,328	-	-	-	-	-
Engineering	-	650,648	-	-	-	-	-
	-	948,976	-	-	-	-	-
Roadway maintenance:							
Bridges and culverts	-	204,824	-	-	-	-	-
Roads	-	3,625,793	-	-	-	-	-
Snow and ice control	-	250,095	-	-	-	-	-
Traffic controls	-	95,479	-	-	-	-	-
Road clearing	-	266,945	-	-	-	-	-
	-	4,443,136	-	-	-	-	-
General roadway:							
Equipment	-	589,742	-	-	-	-	-
Equipment operations	-	1,100,225	-	-	-	-	-
Tool, materials, and supplies	-	414,847	-	-	-	-	-
Real estate and buildings	-	165,198	-	-	-	-	-
	-	2,270,012	-	-	-	-	-
	-	7,662,124	-	-	-	-	-
State and Local Government Services Service Area:							
Representation services:							
Township officials	3,786	-	-	-	-	-	-
State administrative services:							
Recording of public documents	-	-	-	20,393	-	-	-
	3,786	-	-	20,393	-	-	-
Interprogram Services Service Area:							
Policy and administration:							
General County Management	-	-	-	-	-	-	-
Other policy and administration	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Capital Projects Service Area:							
Roadway construction	-	3,652,290	-	-	-	-	-
Total expenditures	352,673	11,314,414	12,708	20,393	-	7,720,098	1,839
Excess (deficiency) of revenues over (under) expenditures	2,703,198	(4,423,961)	11,616	6,945	-	(1,691,855)	(635)

Schedule 4

Soil Con- servation District East	Soil Con- servation District West	Conser- vation Found- ation	Industrial Develop- ment Site	Flood and Erosion	Oakland Foods Urban Renewal Revenue	Bent Tree Urban Renewal Revenue	Bent Tree Water- line	Community Development Block Grant	County Attorney Drug Forfeiture	Special Law Enforce- ment	Total
-	-	-	-	-	-	-	-	-	-	-	298,328
-	-	-	-	-	-	-	-	-	-	-	650,648
-	-	-	-	-	-	-	-	-	-	-	948,976
-	-	-	-	-	-	-	-	-	-	-	204,824
-	-	-	-	-	-	-	-	-	-	-	3,625,793
-	-	-	-	-	-	-	-	-	-	-	250,095
-	-	-	-	-	-	-	-	-	-	-	95,479
-	-	-	-	-	-	-	-	-	-	-	266,945
-	-	-	-	-	-	-	-	-	-	-	4,443,136
-	-	-	-	-	-	-	-	-	-	-	589,742
-	-	-	-	-	-	-	-	-	-	-	1,100,225
-	-	-	-	-	-	-	-	-	-	-	414,847
-	-	-	-	-	-	-	-	-	-	-	165,198
-	-	-	-	-	-	-	-	-	-	-	2,270,012
-	-	-	-	-	-	-	-	-	-	-	7,662,124
-	-	-	-	-	-	-	-	-	-	-	3,786
-	-	-	-	-	-	-	-	-	-	-	20,393
-	-	-	-	-	-	-	-	-	-	-	24,179
-	-	-	45,733	-	-	-	-	-	-	-	45,733
-	-	-	-	-	-	-	-	118,144	-	-	118,144
-	-	-	45,733	-	-	-	-	118,144	-	-	163,877
-	-	-	-	-	-	-	-	-	-	-	3,652,290
67,660	68,008	114,456	45,733	73,733	-	-	-	118,144	65,266	3,450	19,978,575
50,285	49,937	(2,223)	5,019	(73,733)	183,389	42,297	24,183	10,778	18,798	581	(3,085,381)

Pottawattamie County

Special Revenue Funds

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances

Year ended June 30, 2002

	Rural Services	Secondary Roads	Resource Enhance- ment and Protection	County Recorder's Records Management	Drainage Districts	Mental Health	Juvenile Diversion
Other financing sources (uses):							
Operating transfers in (out):							
General	-	300,000	-	-	-	-	-
Special Revenue:							
Rural Services	-	2,756,365	-	-	-	-	-
Secondary Roads	(2,756,365)	-	-	-	-	-	-
Debt Service:							
Oakland Foods Urban Renewal Sinking	-	-	-	-	-	-	-
Oakland Foods Urban Renewal Reserve	-	-	-	-	-	-	-
Bent Tree Urban Renewal Sinking	-	-	-	-	-	-	-
Bent Tree Urban Renewal Reserve	-	-	-	-	-	-	-
Total other financing sources (uses)	(2,756,365)	3,056,365	-	-	-	-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(53,167)	(1,367,596)	11,616	6,945	-	(1,691,855)	(635)
Fund balances beginning of year	398,457	5,092,742	37,683	22,687	10,754	2,180,307	2,827
Decrease in reserve for prepaid items	-	(6,024)	-	-	-	-	-
Fund balances end of year	\$ 345,290	3,719,122	49,299	29,632	10,754	488,452	2,192

See accompanying independent auditor's report.

Schedule 4

Soil Con- servation District East	Soil Con- servation District West	Conser- vation Found- ation	Industrial Develop- ment Site	Flood and Erosion	Oakland Foods Urban Renewal Revenue	Bent Tree Urban Renewal Revenue	Bent Tree Water- line	Community Development Block Grant	County Attorney Drug Forfeiture	Special Law Enforce- ment	Total
-	-	-	-	75,000	-	-	-	-	-	-	375,000
-	-	-	-	-	-	-	-	-	-	-	2,756,365
-	-	-	-	-	-	-	-	-	-	-	(2,756,365)
-	-	-	-	-	(149,260)	-	-	-	-	-	(149,260)
-	-	-	-	-	(37,315)	-	-	-	-	-	(37,315)
-	-	-	-	-	-	(122,382)	-	-	-	-	(122,382)
-	-	-	-	-	-	(30,596)	-	-	-	-	(30,596)
-	-	-	-	75,000	(186,575)	(152,978)	-	-	-	-	35,447
50,285	49,937	(2,223)	5,019	1,267	(3,186)	(110,681)	24,183	10,778	18,798	581	(3,049,934)
228,874	178,471	84,711	50,305	1,881	(7,191)	37,115	15,621	(10,778)	-	-	8,324,466
-	-	-	-	-	-	-	-	-	-	-	(6,024)
279,159	228,408	82,488	55,324	3,148	(10,377)	(73,566)	39,804	-	18,798	581	5,268,508

Pottawattamie County
Debt Service Funds
Combining Balance Sheet
June 30, 2002

	Jail 1996A	Jail 1996B	Jail 1997	Data Processing Computer
Assets				
Cash and pooled investments	\$ 47,264	47,872	7,984	5,809
Receivables:				
Property tax:				
Delinquent	3,183	3,399	1,402	155
Succeeding year	491,000	524,000	216,000	24,000
Due from other funds	-	-	-	-
Total assets	\$ 541,447	575,271	225,386	29,964
Liabilities and Fund Equity				
Liabilities:				
Deferred revenue:				
Succeeding year property tax	\$ 491,000	524,000	216,000	24,000
Other	3,062	3,270	1,349	149
Total liabilities	494,062	527,270	217,349	24,149
Fund equity:				
Fund balance:				
Reserved for Debt Service	47,385	48,001	8,037	5,815
Total liabilities and fund equity	\$ 541,447	575,271	225,386	29,964

See accompanying independent auditor's report.

Oakland Foods Urban Renewal Sinking	Oakland Foods Urban Renewal Reserve	Bent Tree Urban Renewal Sinking	Bent Tree Urban Renewal Reserve	Total
8,393	219,414	196,960	218,059	751,755
-	-	-	-	8,139
-	-	-	-	1,255,000
10,377	-	73,566	-	83,943
18,770	219,414	270,526	218,059	2,098,837
-	-	-	-	1,255,000
-	-	-	-	7,830
-	-	-	-	1,262,830
18,770	219,414	270,526	218,059	836,007
18,770	219,414	270,526	218,059	2,098,837

Pottawattamie County

Debt Service Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Year ended June 30, 2002

	Jail 1996A	Jail 1996B	Jail 1997	Mental Health 1994	Mental Health 1995
Revenues:					
Property and other County tax:					
Property tax	\$ 450,884	476,301	203,105	-	-
Utility tax replacement excise tax	34,317	36,251	15,458	-	-
Other	1,121	1,184	505	-	-
	<u>486,322</u>	<u>513,736</u>	<u>219,068</u>	-	-
Intergovernmental:					
State tax replacements:					
State tax credits	23,438	24,759	10,559	-	-
Payments in lieu of taxes	293	310	132	-	-
	<u>23,731</u>	<u>25,069</u>	<u>10,691</u>	-	-
Use of money and property:					
Interest on investments	2,971	5,932	1,674	-	-
Total revenues	<u>513,024</u>	<u>544,737</u>	<u>231,433</u>	-	-
Expenditures:					
Debt Service Service Area:					
Principal	-	470,000	110,000	-	-
Interest	512,705	71,648	120,575	-	-
Other	150	150	150	-	-
Total expenditures	<u>512,855</u>	<u>541,798</u>	<u>230,725</u>	-	-
Excess (deficiency) of revenues over (under) expenditures	169	2,939	708	-	-
Other financing sources (uses):					
Operating transfers in (out):					
General	-	-	-	(9,212)	(17,992)
Special Revenue:					
Oakland Foods Urban Renewal Revenue	-	-	-	-	-
Bent Tree Urban Renewal Revenue	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,212)</u>	<u>(17,992)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	169	2,939	708	(9,212)	(17,992)
Fund balances beginning of year	<u>47,216</u>	<u>45,062</u>	<u>7,329</u>	<u>9,212</u>	<u>17,992</u>
Fund balances end of year	<u>\$ 47,385</u>	<u>48,001</u>	<u>8,037</u>	-	-

See accompanying independent auditor's report.

Election Lease	Data Processing Computer	Oakland Foods Urban Renewal Sinking	Oakland Foods Urban Renewal Reserve	Bent Tree Urban Renewal Sinking	Bent Tree Urban Renewal Reserve	Total
-	21,963	-	-	-	-	1,152,253
-	1,672	-	-	-	-	87,698
-	55	-	-	-	-	2,865
-	23,690	-	-	-	-	1,242,816
-	1,142	-	-	-	-	59,898
-	14	-	-	-	-	749
-	1,156	-	-	-	-	60,647
-	148	1,192	4,846	6,975	4,913	28,651
-	24,994	1,192	4,846	6,975	4,913	1,332,114
-	23,323	65,000	-	-	-	668,323
-	535	79,818	-	122,383	-	907,664
-	-	250	-	250	-	950
-	23,858	145,068	-	122,633	-	1,576,937
-	1,136	(143,876)	4,846	(115,658)	4,913	(244,823)
(167)	-	-	-	-	-	(27,371)
-	-	149,260	37,315	-	-	186,575
-	-	-	-	122,382	30,596	152,978
(167)	-	149,260	37,315	122,382	30,596	312,182
(167)	1,136	5,384	42,161	6,724	35,509	67,359
167	4,679	13,386	177,253	263,802	182,550	768,648
-	5,815	18,770	219,414	270,526	218,059	836,007

Pottawattamie County

Pottawattamie County
 Capital Projects Funds
 Combining Balance Sheet
 June 30, 2002

	Geographical Information		
	Bent Tree	System	Total
Assets			
Cash and pooled investments	\$ 2,265	30,183	32,448
Prepaid items	-	9,375	9,375
Total assets	\$ 2,265	39,558	41,823
Liabilities and Fund Equity			
Liabilities:			
None	\$ -	-	-
Fund equity:			
Fund balances:			
Reserved for prepaid items	-	9,375	9,375
Unreserved	2,265	30,183	32,448
Total fund equity	2,265	39,558	41,823
Total liabilities and fund equity	\$ 2,265	39,558	41,823

See accompanying independent auditor's report.

Pottawattamie County

Capital Projects Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

Year ended June 30, 2002

	Jail	Bent Tree
Revenues:		
Use of money and property:		
Interest on investments	\$ -	55
Expenditures:		
Capital Projects Service Area:		
Other capital projects	-	-
Excess (deficiency) of revenues over (under) expenditures	-	55
Other financing sources (uses):		
Operating transfers in (out):		
General	(5,044)	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(5,044)	55
Fund balances beginning of year	5,044	2,210
Increase in reserve for prepaid items	-	-
Fund balances end of year	\$ -	2,265

See accompanying independent auditor's report.

Geographical Information System	Total
-	55
168,780	168,780
(168,780)	(168,725)
186,141	181,097
17,361	12,372
12,822	20,076
9,375	9,375
39,558	41,823

Pottawattamie County
Trust and Agency Funds
Combining Balance Sheet
June 30, 2002

	Expendable Trust Fund	County Offices				Agricultural Extension Education
	Conservation Land Acquisition Trust	Board of Supervisors	County Recorder	County Sheriff		
Assets						
Cash and pooled investments:						
County Treasurer	\$ 324	-	-	-		2,731
Other County officials	-	6,258	193,859	139,134		-
Receivables:						
Property tax:						
Delinquent	-	-	-	-		925
Succeeding year	-	-	-	-		181,000
Accounts	-	-	2,506	-		-
Special assessments	-	-	-	-		-
Future drainage assessments	-	-	-	-		-
Due from other funds	-	-	-	879		-
Due from other governments	-	-	-	-		-
Prepaid items	-	-	-	-		-
Total assets	\$ 324	6,258	196,365	140,013		184,656
Liabilities and Fund Equity						
Liabilities:						
Excess of outstanding warrants over cash balance	\$ -	-	-	-		-
Accounts payable	-	-	-	-		-
Salaries and benefits payable	-	-	-	-		-
Drainage warrants	-	-	-	-		-
Due to other funds	-	-	144,930	102,012		-
Due to other governments	-	-	51,435	-		184,656
Trusts payable	-	6,258	-	38,001		-
Compensated absences	-	-	-	-		-
Total liabilities	-	6,258	196,365	140,013		184,656
Fund equity:						
Unreserved fund balance	324	-	-	-		-
Total liabilities and fund equity	\$ 324	6,258	196,365	140,013		184,656

County Assessor	Schools	Community Colleges	Corporations	Townships	Auto License and Use Tax	Brucellosis and Tuberculosis Eradication
270,095	556,319	25,384	445,501	6,254	1,418,695	203
-	-	-	-	-	-	-
6,037	251,693	13,637	201,380	3,313	-	71
910,000	36,969,000	2,105,000	29,019,000	533,000	-	11,000
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
10	-	-	-	-	-	-
-	-	-	-	-	-	-
1,186,142	37,777,012	2,144,021	29,665,881	542,567	1,418,695	11,274
-	-	-	-	-	-	-
7,342	-	-	-	-	-	-
18,065	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	42,782	-
1,082,137	37,777,012	2,144,021	29,665,881	542,567	1,375,913	11,274
-	-	-	-	-	-	-
78,598	-	-	-	-	-	-
1,186,142	37,777,012	2,144,021	29,665,881	542,567	1,418,695	11,274
-	-	-	-	-	-	-
1,186,142	37,777,012	2,144,021	29,665,881	542,567	1,418,695	11,274

Pottawattamie County
Trust and Agency Funds
Combining Balance Sheet
June 30, 2002

	Agency Funds			
	Drainage Districts	Emergency Management Services	City Special Assessments	Special Assess- ments
Assets				
Cash and pooled investments:				
County Treasurer	37,945	101,924	64,958	54,922
Other County officials	-	-	-	-
Receivables:				
Property tax:				
Delinquent	-	-	-	-
Succeeding year	-	-	-	-
Accounts	-	-	-	-
Special assessments	-	-	172,000	3,304,000
Future drainage assessments	87,876	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	14,161	-	-
Prepaid items	-	-	-	-
Total assets	125,821	116,085	236,958	3,358,922
Liabilities and Fund Equity				
Liabilities:				
Excess of outstanding warrants over cash balance	-	-	-	-
Accounts payable	-	449	-	-
Salaries and benefits payable	-	2,955	-	-
Drainage warrants	88,999	-	-	-
Due to other funds	-	-	-	-
Due to other governments	36,822	110,301	236,958	-
Trusts payable	-	-	-	3,358,922
Compensated absences	-	2,380	-	-
Total liabilities	125,821	116,085	236,958	3,358,922
Fund equity:				
Unreserved fund balance	-	-	-	-
Total liabilities and fund equity	125,821	116,085	236,958	3,358,922

See accompanying independent auditor's report.

SWI Juvenile Emergency Services Board	E911 Com- munication Equipment	E911 Surcharge	Flexible Spending	Payroll Clearing	Advance Tax	Bankruptcy Holding	Monies and Credit	Total
445,835	75,218	140,742	-	3,284	32,000	1,213	-	3,683,547
2,500	-	-	-	-	-	-	-	341,751
-	-	-	-	-	-	-	-	477,056
-	-	-	-	-	-	-	2,000	69,730,000
1,863	-	30,710	-	2,784	-	-	-	37,863
-	-	-	-	-	-	-	-	3,476,000
-	-	-	-	-	-	-	-	87,876
-	-	-	6,318	-	-	-	-	7,197
102,920	-	-	-	-	-	-	-	117,091
30,820	-	-	-	-	-	-	-	30,820
583,938	75,218	171,452	6,318	6,068	32,000	1,213	2,000	77,989,201
-	-	-	6,318	-	-	-	-	6,318
5,410	-	2,238	-	-	-	-	-	15,439
23,668	-	-	-	-	-	-	-	44,688
-	-	-	-	-	-	-	-	88,999
2,697	-	-	-	-	-	-	-	292,421
540,426	75,218	169,214	-	6,068	32,000	1,213	2,000	74,045,116
-	-	-	-	-	-	-	-	3,403,181
11,737	-	-	-	-	-	-	-	92,715
583,938	75,218	171,452	6,318	6,068	32,000	1,213	2,000	77,988,877
-	-	-	-	-	-	-	-	324
583,938	75,218	171,452	6,318	6,068	32,000	1,213	2,000	77,989,201

Pottawattamie County

Combining Statement of Changes in Assets and Liabilities -
All Agency Funds

Year ended June 30, 2002

	County Offices				
	Board of Supervisors	County Attorney	County Auditor	County Recorder	County Sheriff
Assets and Liabilities					
Balances beginning of year	\$ 17,583	15,426	25	209,526	100,356
Additions:					
Property and other County tax	-	-	-	-	-
E911 surcharge	-	-	-	-	-
State tax credits	-	-	-	-	-
Office fees and collections	-	-	-	1,202,277	369,305
Auto licenses, use tax and postage	-	-	-	-	-
Assessments	-	-	-	-	-
Trusts	41,525	-	-	-	1,819,564
Intergovernmental	-	-	-	-	-
State allocation	-	-	-	-	-
Miscellaneous	-	-	-	-	12,039
Total additions	41,525	-	-	1,202,277	2,200,908
Deductions:					
Agency Remittances:					
To other funds	-	15,426	25	675,056	349,821
To other governments	-	-	-	540,382	1,219
Trusts paid out	52,850	-	-	-	1,810,211
Total deductions	52,850	15,426	25	1,215,438	2,161,251
Balances end of year	\$ 6,258	-	-	196,365	140,013

Agricultural Extension Education	County Assessor	Schools	Community Colleges	Corpora- tions	Town- ships	Auto License and Use Tax	Brucellosis and Tuberculosis Eradication	Drainage Districts
169,344	1,057,062	33,551,011	1,606,673	25,930,947	492,444	1,758,114	12,238	80,838
192,121	968,081	39,518,132	2,224,624	31,277,499	550,027	-	11,944	-
-	-	-	-	-	-	-	-	-
9,312	40,739	1,745,235	80,969	1,259,439	24,821	-	647	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	18,673,730	-	-
-	-	-	-	-	-	-	-	93,855
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	10,285	-	-	-	-	-	-	-
-	1,028	-	-	-	-	-	-	2,541
201,433	1,020,133	41,263,367	2,305,593	32,536,938	574,848	18,673,730	12,591	96,396
-	-	-	-	-	-	542,432	-	-
186,121	891,053	37,037,366	1,768,245	28,802,004	524,725	18,470,717	13,555	140,412
-	-	-	-	-	-	-	-	-
186,121	891,053	37,037,366	1,768,245	28,802,004	524,725	19,013,149	13,555	140,412
184,656	1,186,142	37,777,012	2,144,021	29,665,881	542,567	1,418,695	11,274	36,822

Pottawattamie County

Combining Statement of Changes in Assets and Liabilities -
All Agency Funds

Year ended June 30, 2002

	Emergency Management Services	City Special Assessments	Special Assessments	SWI Juvenile Emergency Services Board
Assets and Liabilities				
Balance beginning of year	91,222	267,319	2,336,982	972,076
Additions:				
Property and other County tax	-	-	-	-
E911 surcharge	-	-	-	-
State tax credits	-	-	-	-
Office fees and collections	-	-	-	-
Auto licenses, use tax and postage	-	-	-	-
Assessments	-	333,118	1,675,139	-
Trusts	-	-	-	-
Intergovernmental	86,042	-	-	369,926
State allocation	-	-	-	-
Miscellaneous	59,654	-	-	771,627
Total additions	145,696	333,118	1,675,139	1,141,553
Deductions:				
Agency Remittances:				
To other funds	-	-	-	-
To other governments	120,833	363,479	-	1,529,691
Trusts paid out	-	-	653,199	-
Total deductions	120,833	363,479	653,199	1,529,691
Balance end of year	116,085	236,958	3,358,922	583,938

See accompanying independent auditor's report.

E911 Communication Equipment	E911 Surcharge	Payroll Clearing	Tax Sale Redemption	Advance Tax	Bankruptcy Holding	Monies and Credits	Total
66,881	100,917	175,210	-	7,914	-	-	69,020,108
-	-	-	-	-	-	3,733	74,746,161
-	209,047	-	-	-	-	-	209,047
-	-	-	-	-	-	-	3,161,162
-	-	-	-	-	-	-	1,571,582
-	-	-	-	-	-	-	18,673,730
-	-	-	-	-	-	-	2,102,112
-	-	-	1,502,323	24,086	-	-	3,387,498
20,000	-	-	-	-	-	-	475,968
-	-	-	-	-	-	-	10,285
-	18,635	128,881	-	-	1,213	-	995,618
20,000	227,682	128,881	1,502,323	24,086	1,213	3,733	105,333,163
-	-	-	-	-	-	-	1,582,760
11,663	157,147	298,023	-	-	-	1,733	90,858,368
-	-	-	1,502,323	-	-	-	4,018,583
11,663	157,147	298,023	1,502,323	-	-	1,733	96,459,711
75,218	171,452	6,068	-	32,000	1,213	2,000	77,893,560

Schedule 11**Pottawattamie County****Comparison of Taxes and Intergovernmental Revenues**

	Years ended June 30,			
	2002	2001	2000	1999
Taxes:				
Property tax	\$ 16,143,451	15,285,673	15,814,578	13,610,847
Local option sales tax	2,358,900	2,473,493	2,368,305	2,033,652
Utility tax replacement excise tax	1,217,243	1,185,653	-	-
Pari-mutuel and gaming wager tax	1,987,508	1,861,219	1,891,615	1,580,542
Tax increment financing	215,942	153,603	-	-
Other	35,780	33,914	30,057	27,220
	<u>21,958,824</u>	<u>20,993,555</u>	<u>20,104,555</u>	<u>17,252,261</u>
Intergovernmental:				
State share revenues:				
Road use tax	4,502,459	4,317,657	4,380,448	4,188,555
Other	75,235	71,783	58,576	77,137
State grants and reimbursements including indirect federal funding:				
Community development block grants/State's Program	128,922	-	498,500	-
Social services block grant	428,224	421,584	418,744	401,076
Human services administrative reimbursement	131,931	148,804	150,193	166,571
Highway planning and construction	565,484	27,578	740,935	295,271
MH-DD community services fund allocation	264,508	552,521	504,092	504,092
Special supplemental nutrition program for women, infants and children	271,448	259,706	300,923	324,230
Public assistance grants	-	1,153,902	1,390,656	299,798
Other	859,944	676,211	761,224	313,148
State tax replacements:				
State tax credits	861,620	1,025,197	980,521	809,821
State allocation	295,632	307,498	308,385	308,019
Mental health property tax relief	2,610,874	2,610,873	2,610,873	2,610,873
MH-DD allowed growth factor adjustment	121,067	422,555	405,569	342,449
Direct federal grants and entitlements:				
Medicare and medicaid	663,929	643,169	751,732	449,091
United States Marshals Service Cooperative Agreement program	-	-	-	700,000
Watershed Protection and Flood Prevention	-	243,526	1,398,350	112,655
Other	11,031	-	65,983	3
Contributions and reimbursements from other governmental units:				
Contract law enforcement and prisoner care	2,361,557	2,036,966	1,455,698	766,439
Communication center	775,736	553,046	519,257	414,909
Other	844,552	328,363	668,898	15,231
Payments in lieu of taxes	9,633	8,876	102,613	66,613
	<u>15,783,786</u>	<u>15,809,815</u>	<u>18,472,170</u>	<u>13,165,981</u>
Total	<u>\$ 37,742,610</u>	<u>36,803,370</u>	<u>38,576,725</u>	<u>30,418,242</u>

See accompanying independent auditor's report.

Pottawattamie County
Schedule of Expenditures of Federal Awards
Year ended June 30, 2002

Grantor/Program	CFDA Number	Agency or Pass-through Number	Program Expendi- tures
Direct:			
U.S. Department of the Interior:			
Partners for Fish and Wildlife	15.631	M206010810	\$ 7,000
U.S. Department of Justice:			
Public Safety Partnership and Community Policing Grants	16.710	2001UMX0049	55,788
Bulletproof Vest Partnership Program	16.607	01-005-707	2,537
Bulletproof Vest Partnership Program	16.607	02-010-330	625
			3,162
Total direct			65,950
Indirect:			
U.S. Department of Agriculture:			
Iowa Department of Public Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	5881A052	109,491
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	5882A052	202,656
			312,147
Iowa Department of Agriculture and Land Stewardship:			
WIC Farmers' Market Nutrition Program (FMNP)	10.572	1191-99-52	854
WIC Farmers' Market Nutrition Program (FMNP)	10.572	1191-02-52	883
			1,737
Iowa Department of Education:			
National School Lunch Program	10.555		8,210
School Breakfast Program	10.553		5,399
Iowa Department of Human Services:			
Commodity Supplemental Food Program	10.565		26
Human Services Administrative Reimbursements:			
State Administrative Matching Grants for Food Stamp Program	10.561		21,657

Schedule 12

Pottawattamie County
Schedule of Expenditures of Federal Awards
Year ended June 30, 2002

Grantor/Program	CFDA Number	Agency or Pass-through Number	Program Expendi- tures
Indirect (continued):			
U.S. Department of Justice:			
Governor's Alliance on Drug Control Policy:			
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580		<u>2,969</u>
Violence Against Women Formula Grants	16.588	01V-0228	<u>67,127</u>
Iowa Department of Human Rights:			
Juvenile Accountability Incentive Block Grants	16.523	JJYD-F01-35	9,998
Juvenile Accountability Incentive Block Grants	16.523	JJYD-S02-55	<u>7,175</u>
			<u>17,173</u>
U.S. Department of Health and Human Services:			
Iowa Department of Human Services:			
Human Services Administrative Reimbursements:			
Medical Assistance Program	93.778		<u>34,477</u>
Temporary Assistance for Needy Families	93.558		<u>33,780</u>
Foster Care - Title IV-E	93.658		<u>11,400</u>
Refugee and Entrant Assistance-State Administered Programs	93.566		<u>135</u>
Adoption Assistance	93.659		<u>3,887</u>
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596		<u>4,370</u>
Social Services Block Grant	93.667		22,225
Social Services Block Grant	93.667		<u>428,224</u>
			<u>450,449</u>
Iowa Department of Public Health:			
Immunization Grants	93.268	5881I440	3,996
Immunization Grants	93.268	5882I440	<u>1,344</u>
			<u>5,340</u>

Pottawattamie County
Schedule of Expenditures of Federal Awards
Year ended June 30, 2002

Grantor/Program	CFDA Number	Agency or Pass-through Number	Program Expendi- tures
Indirect (continued):			
Federal Emergency Management Agency:			
Iowa Department of Public Defense:			
Emergency Management Division:			
Emergency Management Performance Grants	83.552		16,479
Public Assistance Grants	83.544	1367 DRIA 001	77,414
Hazard Mitigation Grant	83.548	F007-78-00	4,260
U.S. Department of Transportation:			
Iowa Department of Transportation:			
Highway Planning and Construction	20.205	BROS-78(113)--8J-78	133,230
Highway Planning and Construction	20.205	BROS-78(114)--8J-78	162,608
Highway Planning and Construction	20.205	BROS-78(115)--8J-78	43,753
			339,591
Iowa Department of Public Defense:			
Emergency Management Division:			
Interagency Hazardous Materials Public Sector Training and Planning Grant	20.703		752
Iowa Department of Public Safety:			
State and Community Highway Safety	20.600	PAP 01-02, Task 24	1,273
State and Community Highway Safety	20.600	PAP 02-02, Task 24	5,082
			6,355
U.S. Department of Housing and Urban Development:			
Iowa Department of Economic Development:			
Community Development Block Grants/ State's Program	14.228	98-DF-012	118,143
Total indirect			1,543,277
Total			\$ 1,609,227

Basis of Presentation – The Schedule of Expenditures of Federal Awards includes the federal grant activity of Pottawattamie County and is presented on the modified accrual basis of accounting. The information on this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation, of the general purpose financial statements.

See accompanying independent auditor's report.

Pottawattamie County



**OFFICE OF AUDITOR OF STATE
STATE OF IOWA**

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Chief Deputy Auditor of State

**Independent Auditor's Report on Compliance
and on Internal Control over Financial Reporting**

To the Officials of Pottawattamie County:

We have audited the general purpose financial statements of Pottawattamie County, Iowa, as of and for the year ended June 30, 2002, and have issued our report thereon dated December 3, 2002. Our report expressed a qualified opinion on the financial statements due to the omission of the general fixed assets account group and materials and supplies inventory pertaining primarily to the Special Revenue Funds which should be included in order to conform with U.S. generally accepted accounting principles. We conducted our audit in accordance with U.S. generally accepted auditing standards, Chapter 11 of the Code of Iowa, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Pottawattamie County's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of non-compliance that are described in Part IV of the accompanying Schedule of Findings and Questioned Costs.

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2002 are based exclusively on knowledge obtained from procedures performed during our audit of the general purpose financial statements of the County. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes. Prior year statutory comments have been resolved except for items IV-B-02, IV-J-02, IV-K-02, IV-L-02 and IV-N-02.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Pottawattamie County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Pottawattamie County's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in Part II of the accompanying Schedule of Findings and Questioned Costs.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we believe items II-A-02 and II-B-02 are material weaknesses. Prior year reportable conditions have been resolved except for items II-A-02, II-B-02, II-C-02 and II-D-02.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of Pottawattamie County and other parties to whom Pottawattamie County may report. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Pottawattamie County during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

RICHARD D. JOHNSON, CPA
Auditor of State

WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

December 3, 2002



**OFFICE OF AUDITOR OF STATE
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Chief Deputy Auditor of State

**Independent Auditor's Report on Compliance with Requirements
Applicable to Each Major Program and Internal Control over Compliance**

To the Officials of Pottawattamie County:

Compliance

We have audited the compliance of Pottawattamie County, Iowa, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2002. Pottawattamie County's major federal programs are identified in Part I of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Pottawattamie County's management. Our responsibility is to express an opinion on Pottawattamie County on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards, Chapter 11 of the Code of Iowa, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Pottawattamie County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Pottawattamie County's compliance with those requirements.

In our opinion, Pottawattamie County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2002.

Internal Control Over Compliance

The management of Pottawattamie County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Pottawattamie County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of Pottawattamie County and other parties to whom Pottawattamie County may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

RICHARD D. JOHNSON, CPA
Auditor of State

WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

December 3, 2002

Pottawattamie County
Schedule of Findings and Questioned Costs
Year ended June 30, 2002

Part I: Summary of the Independent Auditor's Results:

- (a) A qualified opinion was issued on the financial statements due to the omission of the general fixed assets account group and materials and supplies inventory pertaining primarily to the Special Revenue Funds.
- (b) Reportable conditions in internal control over financial reporting were disclosed by the audit of the financial statements, including material weaknesses.
- (c) The audit did not disclose any noncompliance which is material to the financial statements.
- (d) No material weaknesses in internal control over major programs were identified.
- (e) An unqualified opinion was issued on compliance with requirements applicable to each major program.
- (f) The audit disclosed no audit findings which were required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (g) Major programs were as follows:
 - CFDA Number 20.205 – Highway Planning and Construction
 - CFDA Number 93.667– Social Services Block Grant
 - CFDA Number 10.557 - Special Supplemental Nutrition Program for Women, Infants, and Children
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (i) Pottawattamie County did not qualify as a low-risk auditee.

Pottawattamie County
Schedule of Findings and Questioned Costs
Year ended June 30, 2002

Part II: Findings Related to the General Purpose Financial Statements:

INSTANCES OF NON-COMPLIANCE:

No matters were reported.

REPORTABLE CONDITIONS:

II-A-02 Segregation of Duties - During our review of internal control, the existing control activities are evaluated in order to determine that incompatible duties, from a control standpoint, are not performed by the same employee. This segregation of duties helps to prevent losses from employee error or dishonesty and therefore maximizes the accuracy of the County's financial statements. Generally one or two individuals in the Sheriff's office may have control over the following areas for which no compensating controls exist:

- (1) Receipts—collecting, depositing, posting and daily reconciling for the civil department.
- (2) Bank reconciliations are not prepared and reviewed monthly by an independent person for propriety and the review is not documented for the jail department.

Recommendation - We realize that with a limited number of office employees, segregation of duties is difficult. However, the Sheriff should review the operating procedures of his office to obtain the maximum internal control possible under the circumstances. The Sheriff should utilize current personnel to provide additional control through review of financial transactions, reconciliations and reports.

Response -

- (1) Currently two employees in the civil department are sharing these duties. We will make an effort to comply.
- (2) We are currently complying.

Conclusion - Response accepted.

II-B-02 County Sheriff - The County Sheriff's office received a check of \$20,000 from the Southwest Iowa Drug Task Force which was cashed at the bank and the proceeds were used to obtain bank cashiers checks payable to vendors to purchase equipment. These revenues and expenditures were not reflected in the County annual budget or monthly financial reports since these transactions were not being accounted for in a County Fund. Also, state warrants received from tobacco settlement funds are cashed at the bank and part of the cash was used for tobacco compliance operations and the rest of the cash was deposited with the County. Again, the amount of the cash withheld was not reflected as revenues and expenditures in the County annual budget or monthly financial reports.

Pottawattamie County
Schedule of Findings and Questioned Costs
Year ended June 30, 2002

Inmate account bank reconciliations were prepared, however they were not prepared timely each month. Also, the bank reconciliation included numerous reconciling items, old outstanding checks and an unidentified variance that need to be investigated and resolved. Receipts issued at the jail did not identify the Pottawattamie County Sheriff and/or Jail as the issuer and the prenumbered receipts were not used in consecutive order.

Except for the end of the year, month end ledger balances for each inmate's account were not totaled and reconciled to the book balance of the inmate account recorded on the Quicken software. Receipts for the inmate ledger balances were not totaled monthly and reconciled to bank deposits. Disbursements for the inmate ledger balances were not totaled monthly.

Recommendation – All collections should be deposited into and expended from the General or a Special Revenue Fund to ensure that purchases are properly budgeted and reflected in the County's accounting system. Also, checks received should not be cashed since this does not leave an audit trail.

Inmate account bank reconciliations should be prepared timely each month. Also, book balances and bank balances should be reconciled as of the end of the month. Any short amounts should be investigated and if deemed necessary a claim should be submitted to the County to cover the amount. All reconciling items should be investigated and resolved and receipts issued should contain proper identification of the issuer and books should be used in consecutive order.

Inmate ledger balances on hand at the end of the month should be listed and retained and reconciled to the inmate account balance recorded on the Quicken software. Receipts should be totaled monthly and reconciled to bank deposits. Disbursements should be totaled monthly.

Response – In the future, if we receive any seized drug funds, we will deposit those monies into the separate Special revenue, Law Enforcement fund. Any tobacco settlement monies will now be deposited into the General Fund, an affidavit will be submitted through the Pottawattamie County Sheriff's Office expenditures to retrieve cash for a tobacco buy, hoping that these monies can be obtained in a timely manner.

Inmate account bank reconciliations were implemented in July 2002 and we are currently completing end-of-month reports. We will continue to investigate the reconciling items listed on the Quicken bank reconciliations. We implemented the receipt recommendation in December 2001 by stamping receipt books with the Jail's mailing address. It is our policy, whenever possible, to utilize our receipt books in consecutive order. We will log all receipt books used during the fiscal year. It is our policy that once the receipt books are filled, they are then retained for the time frame designated by the Code of Iowa and labeled with the beginning and ending dates for reference.

Pottawattamie County
Schedule of Findings and Questioned Costs
Year ended June 30, 2002

Inmate ledger balances are currently listed, retained and reconciled against the Quicken software to the best of the ability provided by the AS400 software in place. New inmate tracking software has been purchased and is in the process of being implemented. (However, the projected completion date is 12 to 18 months away.)

Conclusion – Response accepted.

II-C-02 Information Systems – During our review of internal control, the existing control activities in the County's computer based systems were evaluated in order to determine that activities, from a control standpoint, were designed to provide reasonable assurance regarding the achievement of objectives in the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. The following weaknesses in the County's computer based systems were noted:

The County does not have written policies for:

- ownership of software developed by County employees.
- security of the system upon termination of employment.
- password privacy and confidentiality.
- requiring the computer system to log password usage so that the same password can not be used again.
- addressing log-in access changes when employee duties change.
- ensuring that only software licensed to the County is installed on computers.
- requiring the computer system to deny access to the user after three failed attempts to gain access to the computer system.
- periodic review of user profiles to determine if employees have the appropriate access rights.

Procedures have not been established to ensure proper disposal of sensitive media (e.g. shredding of printouts).

Also, the County does not have a written disaster recovery plan.

Recommendation – The County should develop written policies addressing the above items in order to improve the County's control over computer based systems. Procedures should be established to ensure proper disposal of sensitive media and a written disaster recovery plan should be developed.

Response – Pottawattamie County is interviewing for an I.T. Director. The first requirement of this position will be to bring the County into compliance by developing written policies addressing the above items. Procedures will be established to ensure proper disposal of sensitive media; also a written disaster recovery plan will be developed.

Conclusion – Response accepted.

Pottawattamie County
Schedule of Findings and Questioned Costs
Year ended June 30, 2002

II-D-02 Fixed Asset Records and Inventory - Detailed fixed asset records and inventory balances are not maintained as required by U.S. generally accepted accounting principles.

Recommendation - Fixed assets should be reported at cost or estimated historical cost where historical cost is not available. The County should develop a system to document additions and deletions for fixed assets. Also, inventory balances at the end of the fiscal year should be available based on either a perpetual or periodic inventory system.

Response - Pottawattamie County will have their fixed assets records and inventory reports completed by June 30, 2003. We are in the process now and we are also interviewing a company to seek some professional help. The reports will include at cost or historical cost. We also be developing a system to document additions and deletions for fixed assets.

Conclusion - Response accepted.

Pottawattamie County
Schedule of Findings and Questioned Costs
Year ended June 30, 2002

Part III: Findings and Questioned Costs For Federal Awards:

INSTANCES OF NON-COMPLIANCE:

No matters were reported.

REPORTABLE CONDITIONS:

No material weaknesses in internal control over major programs were identified.

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Part IV: Other Findings Related to Required Statutory Reporting:

IV-A-02 Official Depositories - A resolution naming official depositories has been adopted by the Board of Supervisors. The maximum deposit amounts stated in the resolution were not exceeded during the year ended June 30, 2002.

IV-B-02 Certified Budget - Disbursements at June 30, 2002 did not exceed amounts budgeted. However, disbursements for the Physical Health and Education Service Area exceeded the budgeted amount at March 31, 2002 and the budget was not amended until May 29, 2002.

Although disbursements in certain departments did not exceed the amounts appropriated at June 30, 2002, the final appropriation resolution on June 26, 2002 was not effective because the amount appropriated exceeded the total budget by service area.

Recommendation - The budget should have been amended in accordance with Chapter 331.435 of the Code of Iowa before disbursements were allowed to exceed the budget.

Chapter 331.434 of the Code of Iowa authorized the Board of Supervisors, by resolution, to appropriate amounts for each department as long as the total appropriations do not exceed the amount budgeted in total by service area.

Response - In the future the budget will be amended in accordance with Chapter 331.435 of the Code of Iowa. We will appropriate the correct amounts to each department without exceeding the budgeted amounts by service area.

Conclusion - Response accepted.

IV-C-02 Questionable Expenditures - No expenditures that we believe may not meet the requirements of public purpose as defined in the Attorney General's opinion dated April 25, 1979 were noted.

IV-D-02 Travel Expense - No expenditures of County money for travel expenses of spouses of County officials or employees were noted.

IV-E-02 Business Transactions - The following business transaction between the County and County officials or employees were noted:

Name, Title and Business Connection	Transaction Description	Amount
Kay Mocha, Director of Planning and Development, husband is part owner of Mocha & Sons Construction	Repairs for various County Conservation projects and drainage districts, per bids	\$ 15,895
	Precinct rent for elections and tree clearing for drainage districts, not bid	2,260

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Name, Title and Business Connection	Transaction Description	Amount
Tim Wichman, Pottawattamie County Board of Supervisors, brother is owner of C & J Enterprises	Provides floor mat services for the County, per bid	3,831

In accordance with Chapter 331.342(10) of the Code of Iowa, the transactions totaling \$15,895 with Mocha & Sons and the transactions with C & J Enterprises totaling \$3,831 do not appear to represent conflicts of interest since they were entered into through competitive bidding. The other transactions with Mocha & Sons totaling \$2,260 may represent a conflict of interest as defined in Chapter 331.342 of the Code of Iowa since total transactions were greater than \$1,500 during the fiscal year.

Recommendation - The County should consult legal counsel to determine the disposition of this matter.

Response - The County will consult our newly elected legal counsel on the Mocha and Sons matter.

Conclusion - Response accepted.

- IV-F-02 Bond Coverage - Surety bond coverage of County officials and employees is in accordance with statutory provisions. The amount of surety bond coverage should be reviewed annually to insure that the coverage is adequate for current operations.
- IV-G-02 Board Minutes - No transactions were found that we believe should have been approved in the Board minutes but were not.
- IV-H-02 Deposits and Investments - No instances of non-compliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the County's investment policy were noted.
- IV-I-02 Resource Enhancement and Protection Certification - The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with subsections (b)(2) and (b)(3).
- IV-J-02 Deficit Cash and Deficit Fund Balances - Seven funds had deficit cash balances during the year ended June 30, 2002 and four funds had deficit cash balances at June 30, 2002, which appears to violate Chapter 331.476 of the Code of Iowa.

Also, the Special Revenue Funds - Oakland Foods Urban Renewal Revenue and Bent Tree Urban Renewal Revenue had deficit fund balances of \$10,377 and \$73,566, respectively, at June 30, 2002.

Recommendation - Claims should not be approved for payment when cash balances are not available unless the debt is authorized by resolution of the Board of

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Supervisors and takes the form of anticipatory warrants, loans from other County funds or other formal short-term debt instruments or obligations.

Also, the County should investigate alternatives to return these funds to a sound financial position.

Response – Claims, in the future, will not be approved for payment when cash balances are not available. Pottawattamie County will investigate alternatives to bring these deficits into balance.

Also, Pottawattamie County will investigate alternatives to return these funds to a sound financial position.

Conclusion – Response accepted.

IV-K-02 County Care Facility – The Board of Supervisors did not publish the Care Facility annual report as part of its proceedings as required by Chapter 347B.3 of the Code of Iowa.

Recommendation – The Board should publish the County Care Facility annual report information prior to September 1 of each year as a part of its board proceedings as required by Chapter 347B.3 of the Code of Iowa.

Response – The Board will publish the County Care Facility annual report prior to September 1 each year as part of its board proceedings per 347B.3 Code of Iowa.

Conclusion – Response accepted.

IV-L-2 Securities and Exchange Commission Reporting Requirements – The reporting requirements included in SEC Rule number 240.15c, 2-12 have not been complied with for all debt issues for the fiscal years ended June 30, 2001 and June 30, 2000.

Recommendation – Since the County has debt greater than \$10,000,000, the County should ensure that these requirements are complied with for all debt issues.

Response – Pottawattamie County still needs to file with the SEC for its two Urban Renewal Revenue Bonds. We will make contact to get this completed. We will comply with these requirements.

Conclusion – Response accepted.

IV-M-02 Electronic Check Retention – Chapter 554D.114 of the Code of Iowa allows the County to retain cancelled checks in an electronic format and requires retention in this manner to include an image of both the front and back of each cancelled check. The County retains cancelled checks through electronic image, but does not obtain an image of the back of each cancelled check as required.

Recommendation – The County should obtain and retain an image of both the front and back of each cancelled check as required.

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Response -

Treasurer - We will make sure that this procedure will be implemented immediately.

Sheriff - We contacted the bank and they will comply.

Recorder - We will instruct the bank to provide images of both sides of these checks.

West County Extension - The West county Extension Office will request and receive from our banking institution an image of the front and back of each canceled check.

Conclusion - Response accepted.

IV-N-02 County Extension Office - The County Extension Offices are operated under the authority of Chapter 176A of the Code of Iowa and serves as agencies of the State of Iowa. These funds are administered by extension councils separate and distinct from County operations and, consequently, are not included in Exhibits A or B.

Disbursements during the year ended June 30, 2002 for the East County Extension Office and the West County Extension Office did not exceed the amounts budgeted.

The minutes of the West County Extension Office were not always signed.

Also, the West County Extension Office meeting on June 16, 2002 was not closed in accordance with Chapter 21.5 of the code of Iowa, commonly known as the open-meeting laws. The reason for the closed meeting did not meet one of the requirements to hold a closed session per Chapter 21.5 and the vote to enter into the closed session was not properly documented.

The East County Extension Office published its annual report timely, but it was not in the format required by Chapter 176A.8(16) of the Code of Iowa.

Also, the East County Extension Office beginning balance for the June 30, 2002 annual report did not agree with the ending balance of the June 30, 2001 annual report.

Recommendation - All minutes of the West County Extension Office should be signed to authenticate the action taken.

The West County Extension Office should comply with Chapter 21.5 of the Code of Iowa for closed meetings.

The annual report of the East County Extension Office should be published in the format required by the Code of Iowa which includes the purpose of the disbursement and the vendor.

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The East County Extension Office should have procedures in place to ensure that annual reports are accurate, including that beginning balances are equal to the prior year ending balances.

Response -

West - In the future, all meeting minutes of the West county Extension Office will be signed to authenticate action taken.

The West County Extension Office will comply with Chapter 21.5 of the Code of Iowa when conducting "closed sessions."

East - The annual report listed the vendors but did not list the purpose for the payment. Our accounting program has a memo line to list the purpose of the payment and we will print and publish the report including the memo section on all future reports.

From a review of our accounts we discovered that an entry was made with an incorrect date (the year was incorrect), which put the deposit in the wrong year and caused the variance. This has been corrected and a new report was generated that shows the ending balance at June 30, 2001 the same as the beginning balance at July 1, 2001.

Conclusion - Response accepted.

Pottawattamie County

Staff

This audit was performed by:

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